



# **Philanthropy's Forgotten Resource? Engaging the Individual Donor**

**The State of Donor Education Today &  
A Leadership Agenda for The Road Ahead**

*The Donor Education Initiative*

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***Summary Report & Further Results***  
***Available at [www.newvisionsprd.org](http://www.newvisionsprd.org)***

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*“To give away money...is an easy matter and in any man’s power, but to decide to whom to give it and how large and when, and for what purpose and how, is neither in every man’s power nor an easy matter. Hence, it is that such excellence is rare, praiseworthy and noble.”*

Aristotle

## **The Donor Education Index**

|           |  |
|-----------|--|
| 85        | The percentage of American private giving that comes from individual citizens.   |
| 10        | The percentage of American private giving that comes from foundations.   |
| 5         | The percentage of American private giving that comes from corporations.  |
| 7         | The number of Americans (in millions) with a net worth of over \$1 million.  |
| 41 to 136 | The low to high estimates (in trillions of dollars) of wealth that will be transferred across generations from 1998 and 2052.                      |
| 6 to 34   | The low to high estimates (in trillions of dollars) of funding that nonprofit organizations stand to gain from this wealth transfer.               |
| 100       | The number of U.S. community foundations in 1987.  |
| 650       | The number of U.S. community foundations in 2003.  |
| 0         | The number of social change foundations, federations and women's funds that provide education and support to donors in 1973.                       |
| 243       | The number of above organizations in 2003.   |
| 300       | The approximate number of U.S. youth and high school philanthropy programs.  |
| 85        | The percentage of U.S. philanthropic support organizations surveyed who want more downloadable donor education curriculum materials and resources. |
| 14        | The percentage of surveyed donor education organizations that offer programs for ethnically diverse donors.  |
| 90        | The percentage of donor education organizations that subsidize the cost of their programs for donors.  |
| 13        | The number of states in 2002 that had no reporting of formal donor education programs in a New Visions PRD national survey.                        |
| 2         | The percentage of U.S. charitable giving that goes to international issues and organizations.  |
| 0         | The growth of giving by individual donors the past 30 years, as a percentage of adjusted gross income.   |
| <10       | The number of private U.S. foundations that fund donor education   |

# Preface

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*“Even if you are on the right track, you’ll get run over if you just sit there.”*

Will Rogers

We are entering the age of the engaged giver.

The twentieth century witnessed the rise of organized philanthropy by the few, with the large private foundation the best known vehicle of giving. At the start of the twenty-first century, philanthropy is being rapidly transformed and democratized by the hands of the many.

Technological tools are also simplifying giving. Click of the mouse transactions can now organize one’s gifts. As philanthropy observer Lucy Bernholz has noted, transaction-based philanthropy is rapidly taking hold in an increasingly commercialized marketplace.

The increasing ease of the giving process should enable donors to seek out the engaging, experiential, civic and spiritual dimensions of philanthropy. As social life becomes more homogenous, virtual, and impersonal, engaged philanthropy responds to E.M. Forster’s call to “only connect.”

We have attempted to build knowledge of and lend perspective to the emerging field of donor education. Through a highly collaborative process, we enlisted the thoughts, critiques, and visions of hundreds of key actors who are the architects of a movement to build better informed and more involved donors.

Trying to map and analyze a field in rapidly changing formation has been both exciting and challenging. Similar in fact to a study we wrote ten years ago, following the fall of the Berlin Wall, that tried to describe the emergence of civil society in East Central Europe. Dynamic forces were in play, new language was in the air, the terrain was contested, and the future shape of society uncertain.

Philanthropy is a growth industry. Even in a bear market, a flood of new players are in motion to cultivate, capture and channel the passing of dollars (and hopefully the transmission of values) across generations. Much is indeed at stake.

When philanthropy is practiced well, more good than harm is done. Wise and engaging giving allows donors to discover a deeper sense of public meaning and personal satisfaction. And in the process, the world grows a bit more humane, just and secure.

In the end, to make the leap from a cottage industry to a more far-reaching and effective field, donor education requires vision, support, and, above all, leadership. It is our hope that the leadership agenda outlined in the final pages of this report can help spur further dialogue, innovative action and increased social investment. Greater intentionality and some bold leaps of faith are indeed needed to fulfill philanthropy’s potential in the decades to come.

*Dan Siegel &  
Jenny Yancey  
New Visions PRD*

# I. Background and Project Overview

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*“It is more difficult to give money away intelligently  
than it is to earn it in the first place.”*

Andrew Carnegie

Most people assume that philanthropy or charitable giving is something that you think about and do on your own, without much guidance or even forethought. Reading a funding appeal at your kitchen table when writing monthly checks. Standing at your front door when asked to give. Attending a fundraising event in the community. Passing the collection plate on Sunday or contributing to a Tzedakah box. Or perhaps sitting across from your accountant or financial planner at the end of the year.

These ways are, in fact, how most people give back to their community and to America’s nonprofit organizations.

However, as both Aristotle and Andrew Carnegie recognized long ago, giving money away effectively is not as easy as it might first appear. The rare “excellence” in giving that Aristotle refers to can be attained through a combination of natural instinct, trial and error, or with advice and support from friends or experts.

In fact, we are entering an age when the giving tradition is starting to be more intentionally and formally taught, with the recognition that anyone, whatever his or her means or age, can be a philanthropist. People are beginning to recognize that there are skills and knowledge that can be learned to improve the results of one’s giving. We also live at a time when, despite the economic downturn, there are over 2 million Americans who have investment wealth of more than \$1 million.

Over the past decade, a trend among a growing share of charitable givers has emerged: donors want to be better informed and more engaged in their giving than ever before. This trend will more than likely grow in the 21st century, whereby citizens of all wealth levels will understand that they can:

- Use philanthropy to make an impact in their community and connect more deeply with the world.
- Be more intentional and have a plan for how they give.
- Practice philanthropy with guidance and support.
- Give on their own or with others (family, friends or members of a community).

To help individuals give wisely, as well as engage in their community and the nonprofit world, an industry of donor education programs and services is beginning to emerge across the philanthropic landscape. This includes a wide range of formal learning opportunities designed to engage, educate, and connect potential or active donors.

## Project History

This report is the culmination of the Donor Education Initiative (DEI), a project that was launched in 2001 by New Visions PRD, a nonprofit, philanthropic research and development organization. This two-year effort is rooted in 15 years of work by New Visions PRD in the U.S. and other parts of the world to strengthen the capacity and infrastructure of the nonprofit and philanthropic sectors that support and sustain healthy civil societies.

During the late 1990s, the Co-Directors of New Visions PRD were based in the American South, where they conducted research on the history and role of the philanthropic sector in that region of the country. They recognized that while the South had a third of the U.S. population and 40% of its poverty, the region had only 15% of the nation’s organized philanthropic assets in foundations. While parts of the South enjoyed rapid economic growth and wealth accumulation in the 1990s, and its population was known for its charitable

generosity through the religious-based tradition of tithing, the region lacked the range of organizations that had sprung up on the East and West Coasts and in parts of the Midwest to further encourage and support philanthropic giving.

It was this experience that led New Visions PRD Co-Directors Dan Siegel and Jenny Yancey to propose an initiative to map and analyze the donor learning and engagement opportunities that existed. At the same time, a number of U.S. national foundations had invested in efforts to research and promote philanthropy and to create tools to assist a new generation of donors and foundations.<sup>1</sup>

The Donor Education Initiative has mapped and analyzed the emergence of formal programs offered by a wide range of organizations to help support and nurture donors along their philanthropic journeys. It has identified key issues, challenges and opportunities facing the emerging field. The results of the mapping and assessment, together with a leadership agenda for the future, are contained in this report.

This initiative has been funded by four national foundations that have been leaders in supporting the infrastructure of the philanthropic field: the Ford Foundation, the William and Flora Hewlett Foundation, the W.K. Kellogg Foundation, and the David and Lucile Packard Foundation (see Appendices for a complete list of project acknowledgements).

To access the Summary Report (20 pages) of this study and complete results of the Donor Education Initiative, which includes a directory and profiles of donor education organizations, please refer to the New Visions PRD website at [www.newvisionsprd.org](http://www.newvisionsprd.org).

## **Project Goals**

The Donor Education Initiative encompassed research, convening of strategic dialogues and public education activities to assess and strengthen donor education programs. The research focused on formal donor learning experiences such as seminars, workshops, retreats and giving circles that are being offered to engage, educate, and connect potential or active donors.

The goals of the project included:

1. To map the range and types of donor education programs.
2. To highlight what has worked and has been learned in the field, according to program organizers and participants.
3. To assess how the current landscape of programs is meeting the needs of various types of donors.
4. To examine key issues, challenges and opportunities facing the emerging donor learning field.
5. To envision how the donor education field and the larger philanthropic infrastructure in the United States should develop over the next 20 years to meet the learning needs of donors.
6. To explore with leaders in the field the feasibility and design of an information clearinghouse, both national and global, on donor education issues.

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<sup>1</sup> One research project conducted by The Philanthropic Initiative resulted in an important overview study on new donors and the state of a variety of donor-related resources entitled "What's A Donor To Do?" (2000) by Ellen Remmer. A few years before that, several major foundations teamed up to launch New Ventures in Philanthropy, which has funded collaborative philanthropy promotion projects nationally.



## Research Scope and Methods

**Our research has focused on formal education programs that engage donors in scheduled and pre-designed experiences that involve some form of group learning.** This is not to underestimate the critical importance of one-on-one learning or of the on-going advising opportunities vital to supporting donors in their philanthropic journey. Other studies exist and are needed to assess those forms of donor learning. The research approach of the Donor Education Initiative included four primary elements:

1. **A scan of existing literature and resources** on donor development, education and programs.
2. **Interviews with over 350 individuals**, including key leaders and practitioners who have undertaken donor education programming, donors, philanthropic advisors and consultants, foundation officials, researchers on wealth and giving, and financial and other professional advisors.
3. An extensive online **National Survey of Donor Education Programs** that was designed to map the existing formal donor learning programs offered by a variety of institutions, including philanthropic intermediary and support organizations, regional associations of grantmakers, public and private foundations, community foundations, giving circles, and universities. The survey was distributed to over 1200 organizations (including all community foundations) in mid-2002, and 189 organizations completed it (a 15% response rate, high by survey standards). A follow-up supplemental survey was distributed in early 2003 to update the organizational profiles of survey respondents for the Directory of Donor Education Providers and the Donor Education Events Calendar, and included additional research questions. Survey results are available at [www.newvisionsprd.org](http://www.newvisionsprd.org).
4. **Convening of three Strategic Dialogues** among field leaders to reflect more deeply on the state and future development of the donor education field (see Appendices for a complete list of participants). Two dialogues were held in California in the Fall of 2002 (San Francisco and Los Angeles). These brought together regional and local associations of grantmakers, community foundations, donors, and independent philanthropic support organizations, as well as women, ethnic and youth philanthropy support groups across the state. A third, the National Dialogue on Donor Education, was held on November 11-12, 2002 at the Pocantico conference facility of the Rockefeller Brothers Fund in New York. The **Pocantico Gathering** brought together 30 leaders representing key local and national donor education organizations and the national level of the U.S. philanthropic infrastructure. In addition to these larger formal gatherings, several small group informal dialogues of donors and donor educators took place throughout the research project.

## Terminology

For the purpose of this project, we define a **donor** as an individual, family member or employee/corporate leader who is the actual giver or wealth holder, as opposed to one who works on staff of a grantmaking foundation (what we call a professional grantmaker or funder). It is important to recognize that donors range from everyday citizens of modest means to those of high net worth. While the term “donor” usually signifies an individual of wealth in our society, we believe it can be part of any citizen’s identity, whether it is claimed or not.

Terminology varies when describing this sub-field of philanthropy: “donor education”, “donor learning”, and “donor engagement”. Some donors may rightly recoil at the notion of needing “education” that is delivered in traditional ways by so-called philanthropic experts. Many donors prefer more active terms like “engagement,” “learning,” and “sharing/networking.” For consistent usage in this report, we have chosen to primarily use the short-hand term of donor education. In the context of the Donor Education Initiative (or DEI), **we defined “donor education” as:**

**“The formal learning opportunities that engage and enable individuals to make wise decisions about their giving to achieve impact and change.”**

## Report Overview and Supplemental Resources

This report and related project resources are designed to be used as a reference by leaders and funders of the donor education field and across the broader philanthropic world.

The report is divided into six short chapters. We first provide a larger conceptual context (Chapter II) for better understanding the forces driving the donor education field, how it has emerged and why it matters. That conversation is followed by an exploration of what we call the “donor learning journey” (Chapter III) where we discuss why, how, and what donors learn as they engage in giving. We then look at the actual contours of the donor education field (Chapter IV): who is offering donor education, in what format and content, and what donor educators believe are effective practices. From there we highlight nine critical issues facing the donor education field (Chapter V), before turning to how some envision the field should evolve over the next two decades (Chapter VI). We conclude by offering a leadership agenda to further strengthen the practice and overall field of donor education (Chapter VII).

In addition to this overview and analysis of the donor education, the Donor Education Initiative has produced the following resources that are available at [www.newvisionsprd.org](http://www.newvisionsprd.org).

- ***Directory of Donor Education Providers*** (consisting of 192 survey participants)
- ***Profiles of Major Donor Education Organizations*** (20 organizations)
- ***Donor Education Events Calendar***
- ***Effective Practices of Donor Education Programs*** (survey results)
- ***Suggestions for Strengthening the Donor Education Field*** (survey results)
- ***Useful Resources*** (books, publications and speakers)

## II. The Context

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*“Wealth-holders are eager to use their money wisely...but they want to do it actively, by personally creating new and better results in philanthropy just as they did in business.”<sup>2</sup>*

Paul Schervish, Boston College

*“I want to make an impact. I want to learn about philanthropy. I can do both of these more effectively as part of a network than I can by myself.”<sup>3</sup>*

Member of Social Venture Partners, Seattle

Before thinking about the learning journey of donors and the current landscape of donor education programs, we offer some reflections on the larger context that is driving philanthropy and donor engagement. In this chapter we briefly assess the deeper positive and negative trends that are defining this moment in donor learning. We then analyze how the patchwork of donor education programs and services constitute an emerging field, and why it all matters.

### Forces Shaping the Emerging Field

The emergence of donor education programs and services is being shaped by a larger dynamic and shifting environment that is slowly transforming the entire world of philanthropy in the United States at the start of the 21<sup>st</sup> century. Eight powerful opportunity trends impact the development of donor education:

- **The Wealth Boom:** While much of the dot.com wealth boom went bust at the turn of the new millennium, the long bull market of the 1980s and 1990s with its massive rise in prosperity for the few did create a new generation of younger and more hands-on givers, within and outside the high-tech world, who have sought guidance and support in their philanthropic pursuits.
- **The Intergenerational Transfer of Wealth:** The staggering “inter-generational transfer of wealth” from the World War II and the baby boom generations will be the major force reshaping the field of philanthropy in the coming decades. Despite the prolonged economic downturn, researchers John Havens and Paul Schervish at Boston College reconfirmed the validity of their 1999 projection that **at between \$41-trillion and \$136-trillion will be transferred via estates between 1998 through 2052. Ten million new millionaires are expected to be minted during this period. Depending on the state of the economy and levels of giving by donors, the nonprofit world stands to gain from \$6 trillion to \$34 trillion of transferred wealth.**<sup>4</sup>
- **The Demand for Greater Donor Engagement and Impact:** There is a rise in more hands-on and engaged philanthropy by donors, including the practices of venture and strategic philanthropy. Simply put, donors are expressing a greater interest in becoming wise and effective social investors. Across all populations and vehicles through which donors give, Americans are seeking greater control over and involvement in their philanthropic contributions. This push for “donor sovereignty” is true for workplace giving, community foundations, religious federations, women’s foundations, and other pooled funding agencies and mechanisms for charitable giving.

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<sup>2</sup> “The New Philanthropists,” Paul G. Schervish, *The Boston Globe*, March 26, 2002.

<sup>3</sup> Cited in “New Giving Partners,” Lucy Bernholz, Blueprint Research & Design, Inc., July 2001.

<sup>4</sup> “Why the \$41 Trillion Wealth Transfer Estimate Is Still Valid: A Review of Challenges and Questions,” John J. Havens and Paul G. Schervish, Boston College, Social Welfare Research Institute, January 6, 2003.

- **The Visibility and Leadership of Living Donors:** Large-scale philanthropy in the post-World War II period up until the 1990s was driven by the hands of mostly dead donors. The philanthropy world was associated with huge, impersonal, and largely invisible private foundations spawned by their early 20<sup>th</sup> century benefactors like Rockefeller, Carnegie and Ford. The rise of new hands-on mega-donors like George Soros, Ted Turner and Bill Gates are reshaping the public image and expanding the realm of innovative possibilities for giving. They have also created a knock-on effect for other younger and newly engaged philanthropists, such as Ebay co-founders Pierre Omidyar and Jeff Skoll, and creative and outspoken women like Cate Muther and Swanee Hunt.<sup>5</sup>
- **Foundation Interest and Support:** The past five years witnessed increased interest by a small circle of large foundations in supporting the growth and capacity of giving by individual donors. These foundations recognize that over **85% of private giving in America comes from individuals, with ten and five percent, respectively, coming from foundations and corporations.** Thus the health and sustainability of the nonprofit sector can be critically strengthened by encouraging, informing and supporting that large donor base.
- **New Donor Educators:** Over the past half century, donor education largely took place informally and as a by-product of fundraising by nonprofit executives and professional fundraisers. However, as donor choices and giving vehicles proliferated and diversified, the need grew for more impartial, donor-friendly learning and advice not guided strictly by recipient charities. This shift accounts for the tremendous growth in the philanthropic education system over the past 10-15 years. The infrastructure of community foundations, interest funds, philanthropic support organizations, regional associations, advisors, consultants, universities, financial service firms, and others offer a widening platform for donor learning and engagement.
- **Easier and Innovative Ways to Give and Engage:** The development of e-philanthropy sites and online ratings services of nonprofits allow a donor to become more easily informed about and give to specific issues or organizations locally, nationally or globally. There are also newer giving mechanisms and communities geared to specific interests, affinities and demographic groups, such as women, ethnic groups, youth, and international giving.
- **The Growth of the Nonprofit Sector:** Thirty years ago there were less than 500,000 nonprofits in America. Today that number stands at 1.6 million. There are simply more organizations and approaches to problem solving in the nonprofit world that donors need to consider in their giving. Of course, this growth can also be a barrier for donors who are confused and unable to sort through the proliferation of groups working on the same issue.

There are also worrisome trends that limit and threaten the field of philanthropy and donor education. We highlight four formidable ones:

- **Economic Downturn:** The prolonged economic slide has shrunk foundation endowments and provoked cutbacks at most nonprofit agencies, thus narrowing the environment for bold experiments and longer-term thinking. The performance of the American economy the rest of this decade—impacted by unforeseen global events—will shape how much of a “golden age” philanthropy will experience over the following decades.
- **Public Funding Cutbacks and the Role of Philanthropy:** The downsizing and retreat of government has undermined the ability of public funding to address a rising sea of social needs. Some ideological corners treat philanthropy and volunteerism as a substitute for government’s societal obligations that expanded throughout the twentieth century. Donors and foundations must therefore carefully consider and consciously choose their approach to the proper roles and potential of philanthropic capital and public funding for addressing heightened social problems.

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<sup>5</sup> As noted by Katharine Fulton and Andrew Blau in “Trends in Philanthropy Today: Discovering Philanthropy in the 21<sup>st</sup> Century,” Global Business Network, June 2003.

- **Shrinking Foundation Investment and Leadership:** The foundation world's support of donor education and philanthropy promotion suffered a major setback when several large foundations, most notably the Atlantic Philanthropies and the Packard Foundation, recently ended their funding of the philanthropic infrastructure arena. Few new foundations have stepped in to provide the resources and leadership needed to help strengthen the overall philanthropic sector and its evolving support system.
- **Concerns of Public Trust and Accountability:** A critical public eye among legislators and the media has intensified upon the philanthropic world. Questions about the lack of transparency, foundation performance and payout, board governance, and nonprofit accountability have emerged. With more money, new players and mixed models of giving coming on the scene, the potential for abuse and demands for regulation and oversight is on the rise.

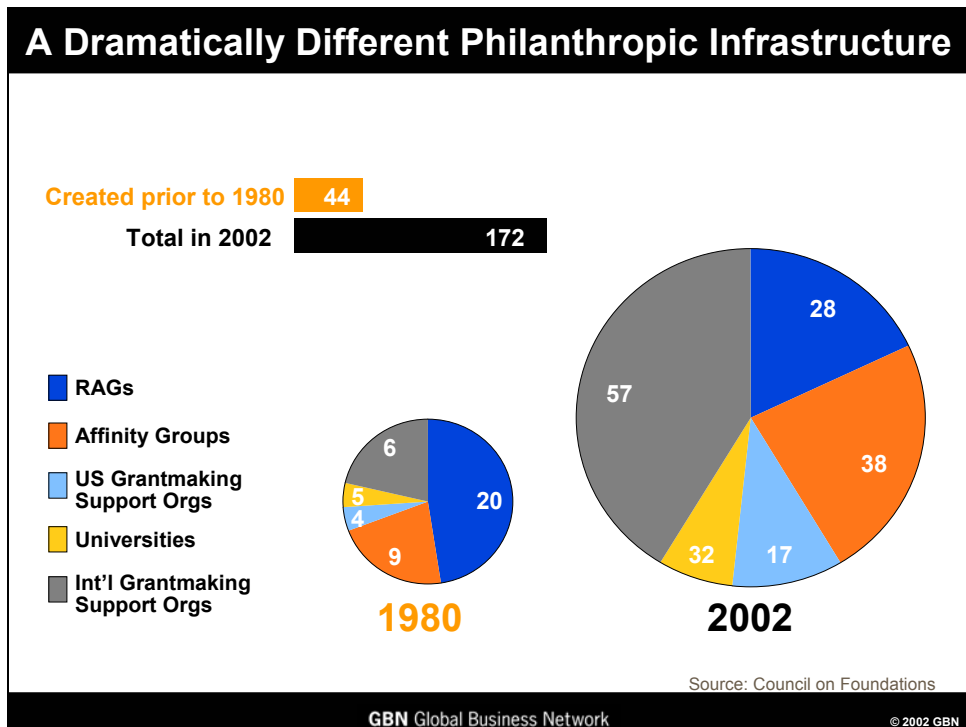
Despite these countervailing trends, the prevailing arc of philanthropy over the coming generation will likely witness a far-reaching expansion of giving and the steady growth of programs serving the learning needs of donors. While indicators of long-term growth of philanthropic capital are positive, challenging questions for philanthropic capacity, leadership and innovation still remain, including:

- Will this emerging field of donor education be ready to attract and effectively inform the new wave of giving?
- Which parts of the nonprofit sector will benefit? Will smaller and grassroots nonprofits find ways into the new capital market of giving, or remain largely excluded as during the late-90's giving boom?
- To what degree will the wealth management and philanthropic support worlds help to encourage and support donors to become wise givers and engaged social investors in local communities, society and the world?
- Will the world of philanthropy and the nonprofit sector—in the face of public scandals and accountability challenges—be able to increase public understanding of its critical role in society and capture the imagination and passions of existing and would-be donors?

## A Cottage Industry

The emerging field of donor education is in its infancy. An extremely small share of today's organizations that conduct some type of formal donor education existed 20-25 years ago. In fact, most of the current donor education programs have been created just since 1990.

This is true of much of the philanthropic world's entire infrastructure, as highlighted in the graphic below by the Global Business Network. Most of the professional philanthropic infrastructure organizations have been created over the past 30 years. Tracy Gary of Changemakers says that when she began her donor education work in 1973, none of the nearly 250 social change foundations, federations and women's funds that today provide informal or formal donor education and engagement programs even existed.



As a relatively new field, donor education has more questions than answers. There is a lack of common language, no codified bank of knowledge, nor any professional standards, ethical guidelines, or widely accepted frameworks. Which leads some to ask: Is this a field? Peter Karoff, founder of The Philanthropic Initiative in Boston, describes donor education as a “cottage industry.”

The cottage industry analogy aptly refers to a time when lone experts painstakingly manufactured hand-tooled, customized items in their homes before the Industrial Revolution created a new world of manufacturing where mass production in factories and low-priced items became the norm. In some similar ways, we are in the “hand-tooled” stage of donor education. Many new “shops” of organizations are incubating their own donor learning programs and services. Few “industry standards” exist, and the supply chain is hard pressed to develop at a scale where a seamless web of services is readily known and accessible to the wider potential market of consumers.

The cottage industry of donor education can be divided into two markets or levels of impact, as suggested by George McCully of the Catalogue for Philanthropy. The “retail” or “boutique” side of the industry is composed of organizations who primarily educate, engage and advise high net worth individuals and families one-on-one or in small groups, with programs tailored to their individual needs. This would include groups like The Philanthropy Workshop, The Foundation Incubator, Rockefeller Philanthropy Advisors, Social Venture Partners and The Philanthropic Initiative (TPI).

“Wholesale” donor education organizations, on the other hand, address wider markets of citizens rather than individuals and small groups. These organizations are ones that produce knowledge products and support services for wider circles of donors, such as the Association of Small Foundations, the Catalogue for Philanthropy, Changemakers, the Council on Foundations, FoundationSource, the National Center for Family Philanthropy, Newtithing Inc., among others.

Some of these organizations, such as Changemakers and TPI, and other similar organizations in fact offer both retail-level services for individual donors, while also being engaged in larger educational and outreach efforts to greater numbers of donors.

As discussed later in this report, **a key challenge facing donor education today is how the field can grow beyond its boutique/retail scale of operation and reach out to wider circles of Americans who could benefit from its knowledge, networks, programs and services.**

Donor education is an emerging field of practice within the larger philanthropic industry. In many ways it is a “third wave” of the recent movement toward greater effectiveness and performance in the nonprofit world. In the 1990’s nonprofit organizations focused increasing attention to their internal capacity and external impact. The same scrutiny and concern about results began washing back over the foundation world itself. Grantmaking professionals who staff foundations are now offered programs and support resources to sharpen their craft by regional associations of grantmakers and projects such as GrantCraft launched by the Ford Foundation and The Grantmaking School at Grand Valley State University. While less in the public spotlight, individual donors are becoming more intentional about translating their personal passions and commitments into real world change.

However, the donor education field still faces an identity challenge, in the words of Lynn Luckow, former President of Northern California Grantmakers: “A field is not a field until people recognize it as a field.” Yet the very act of defining, mapping, and promoting this emerging field helps to shape and establish its own validity and existence, and enables it to progress toward its broader social mission. As Boston Philharmonic conductor Benjamin Zander told a philanthropic gathering: “You can only see what you have a category for. Education is the opening up of a new category.”<sup>6</sup>

The act of association often starts with either self-interest and/or a concern for a larger common good. Nonprofits form that way, and fields of practice do too when their constituent parts recognize that the shared advantages of collaboration and field-building raise all (or most) boats. This is especially true in the realm of donor learning and engagement, where no single organization can dream of reaching and serving the diversity of donor types, needs and interests. Alliances and networks of donor support organizations are being, and will continue to be, forged over the next 20 years.

It is very difficult, for example, to widely promote each of the diverse initiatives and organizations within the donor education arena. Every group in the field lacks the marketing budget and capacity to reach the large audience of potential and already active donors, whether locally, nationally or globally. However, combined efforts and shared resources among key groups or clusters of organizations could provide opportunities for joint marketing and promotion.

## Why This Field Matters

The donor education field is emerging in the midst of three fundamental trends that promise to reshape American society:

1. As income disparity grows, needs in communities and states are rising across the country.
2. With fewer public dollars available to address critical social problems, philanthropy is forced to take on new catalytic roles as “the passing gear” in society, in the words of the late Paul Ylvisaker.
3. An unprecedented wave of wealth will be flowing into philanthropy over the coming decades.

Given these long-term realities, it is especially critical that precious philanthropic resources are invested wisely by an expanding population of donors. In a climate of shrinking financial portfolios, donors want to be more thoughtful and strategic. The effective use of charitable dollars is related to donors having access to high quality learning, advice and support. As the donor education field grows and matures, it will be able to expand into a wider web of accessible services that meets the needs of all ages, ethnicities, identities and geographic locations—from everyday givers to the high net worth. Increasing our understanding of and support to this emerging cottage industry will allow it to evolve into a more coherent and effective field that serves the needs of donors seeking both greater personal satisfaction and public impact in the world.

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<sup>6</sup> Annual Conference, Council on Foundations, Chicago 2002.

### III. The Donor Learning Journey

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*“You think you know what to do as a donor. But there are no checks and balances for giving money away. Where do you reach out for learning? Usually if you start a career and don’t get trained, you get eaten up. But not in this field. You can get away with shoddy giving.”<sup>7</sup>*

Participant, The Philanthropy Workshop of the Rockefeller Foundation

*“It’s only after you embark on this voyage of philanthropy that you realize how far there is to go.”<sup>8</sup>*

Alan Alda, Actor

During the course of our research, some have asked us: Do donors really want, or even need, to learn how to give?

On the one hand, most charitable givers are simply generous check writers who have not thought about or had the opportunity to proactively develop their own giving plan or strategy. Some are highly successful business people who assume they have the skills to give their own money away. Indeed, some donors come to philanthropy knowing exactly what cause or issue they want to support, and are savvy enough to figure out how and whom they want to fund on their own.

There is undoubtedly a movement toward better informed and more strategic philanthropy; however, this is complicated by a basic fact: there is no tried and true formula for good giving. Some of the most powerful generosity and social care is born out of natural wisdom, good instincts and inspired imagination. Good old checkbook philanthropy accounts for most of the \$184 billion dollars given to U.S. charities by individuals in 2002, and provides most of the dollars that make a great difference in the lives of others.

The philanthropic support industry should be mindful of this, and, as one community foundation leader suggested in our survey, start with the “assumption that donors are really smart, hip and informed, rather than the droolers some consultants think they are.”

Nevertheless, many donors initially choose to go it alone, then get stuck or frustrated after recognizing that giving money effectively is not easy. “There’s a tendency that people don’t want to admit that they need assistance with their philanthropy,” says Elizabeth Bremner, president of The Foundation Incubator in the Silicon Valley that provides discussion groups, coaching, mentoring and workshops to a peer learning community of donors. If donors get past this hurdle, they may then seek guidance, advice or even formal learning opportunities.

*“Donors often don’t realize how much education they need. But as their conversations and exploration progresses, it becomes more apparent. There is an art and science in philanthropy that needs to be understood.”*

- Charles Terry  
former Director of Philanthropy,  
Rockefeller Financial Services

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<sup>7</sup> Interview with co-authors, July 2002.

<sup>8</sup> Alan Alda, “Giving Well,” speech to the Council on Foundations’ 1995 Family Foundation Conference.



“It almost comes with the territory that ‘If I have the money, then I have the knowledge’,” says Cole Wilbur, former president of the Packard Foundation. “Most of the questions in the philanthropic field are questions that people don’t know to ask. They are not obvious.”

Many are also hesitant to admit that they need to learn something they think should be innate or natural wisdom. Dianna Smiley, Director of Charitable Gift Planning (NW Oregon) at The Oregon Community Foundation, points out that for many donors “giving is a heart thing – ‘why should I ask to be told how to give?’”

Thus donors often do not know what they need to know. Sal LaSpada, Manager of The Philanthropy Workshop sponsored by the Rockefeller Foundation, describes a cycle of donors coming into philanthropy, where, after trial and error, “They come into the question, ‘Oh my god, how do I do this better?’ They then find a bigger menu and world than they expected.”

It is at this stage when donors may choose to seek advice and support for their learning journey in philanthropy.

## Navigating the Journey

Even if donors feel uncertain and want to learn more about giving, it is not clear where they can find good advice. 43% of donor education providers feel that donors lack knowledge and information about donor education opportunities.<sup>9</sup> “It’s very hard for a donor to know what’s the right thing to do,” says Lisa Sobrato Sonsini of the Sobrato Family Foundation. “Most donors, if they are not already connected to the philanthropic world, don’t know where to go.”

While donors may recognize the need to learn and grow, they can be skeptical about the motives of the philanthropy support field. Donors can feel preyed upon. General suspicions about organized philanthropy also arise from public scandals, junk mail, unwanted phone calls, and negative messaging.

It should also be noted that in some cases donor education can be harmful if it makes so-called “strategic giving” seem too complicated, time consuming and overwhelming. It can make a would-be donor jump through too many hoops to master the craft of giving. Donor educators need to acknowledge up front the vital role that personal passion, deep values, and gut-level instincts play in any good giving. The notion and role of craft should not trump good intentions and natural inspiration. Donors do have the option to add varying degrees of planning, strategy and focus to their giving, but the presentation of those options should not create barriers to taking the initial steps forward.

The donor learning journey is a long-term, even life-long, process. As Peter Karoff of TPI writes, many of the affluent--especially new wealth--are “not ready to accept the awkward mantle of ‘donor’”:

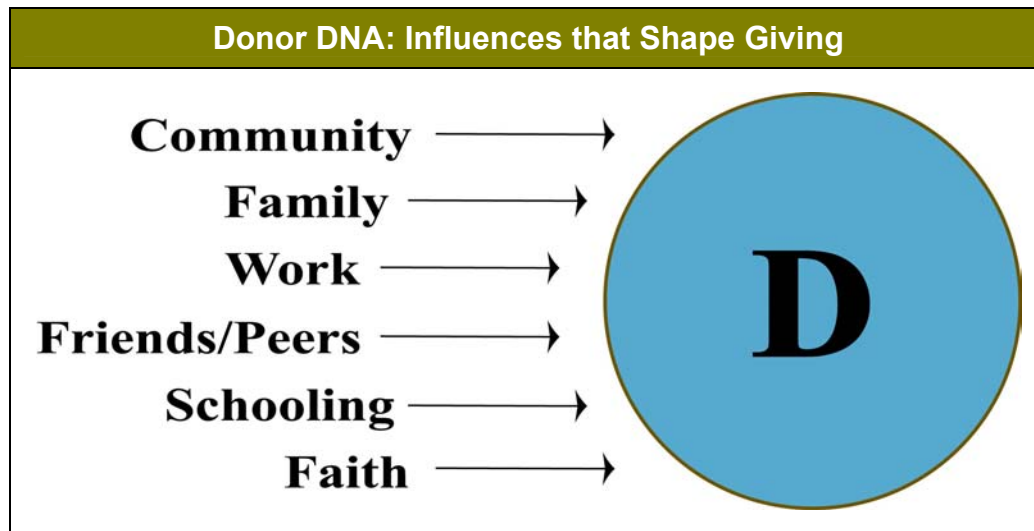
*“It takes awhile for people to get used to the idea of wealth, sometimes they never do. It takes time to sort out how to be a thoughtful donor. It takes a lot of time to learn enough about something to understand what is really useful to do. The truth is, sometimes it takes a lifetime and then you haven’t finished.”*

## The Socialization of Donors

A person’s philanthropic impulses and passions are often deeply rooted from an early age and from a variety of sources in family and social life. We are all, to various degrees, acculturated to care for others. Our “donor DNA” is formed in this process, long before we seek out anything like formal learning on how to give or make an impact.

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<sup>9</sup> National Survey of Donor Education, New Visions, July 2002.



Source: New Visions PRD, © 2002-2003

While our research has focused on formal, group-oriented donor education programs, it is clear that there is a soft and permeable line that separates formal and informal learning opportunities. Donors often move between informal philanthropic advice, one-on-one guidance and formal learning opportunities. The overall donor education process is also not a straight and narrow road with predictable entry points and timed exits for completed learning. As John Havens at the Social Welfare Research Institute at Boston College told us: “It is important to give a donor several years to swim in and out of different learning and reflection opportunities, some individually and some group focused. The socialization of donors is formal and informal, direct and indirect.”

## How Donor Diversity Affects the Journey

The diversity of the donating public was expressed in our interviews and research, making it abundantly clear that one description does not fit all. Finding the right match between program offering and donor interest depends on many variables, including available time, learning style, age, race and ethnicity, philanthropic experience, wealth level, stage of life, and other factors. Many donors want to blaze their own path, others seek out advice, while some turn their giving almost entirely over to others.

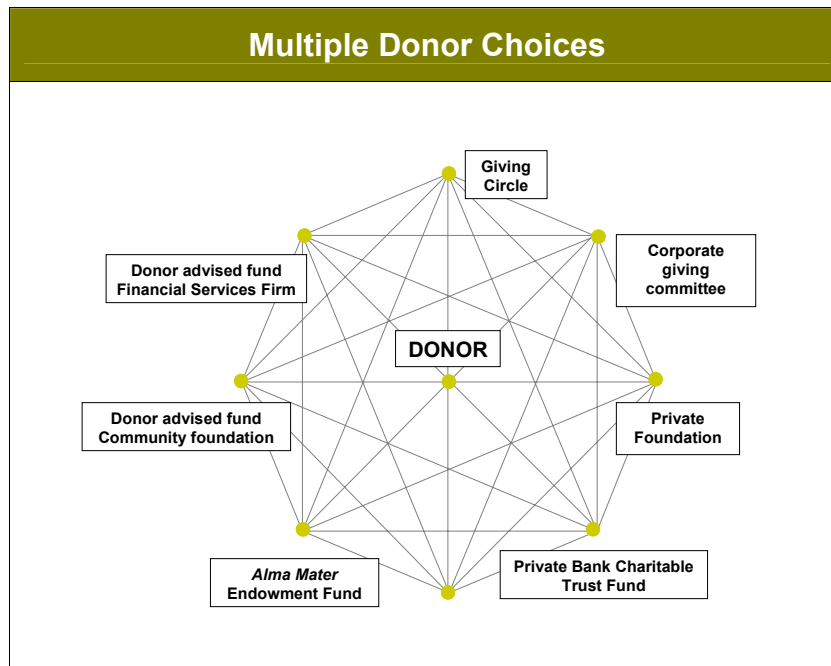
“The appetite for education and engagement among donors really varies a lot depending on people’s time and according to how formally they think about their giving,” says Sterling Speirn, president of the Peninsula Community Foundation. “I don’t think there’s a perception that there’s a body of knowledge one must know about philanthropy. Therefore only a small percentage of people seek out help.”

The limits of a donor’s time to develop or refine his/her own giving has been a repeated theme. In fact, when we asked donor education providers about the greatest barriers to donors seeking philanthropic education opportunities, the number one factor cited by 49% of respondents (90 organizations) was the donors’ lack of time. This was echoed throughout our interviews and in our conversations with donors themselves.

## Multiple Pathways into Philanthropy

Donors find multiple pathways into philanthropy. Giving takes place in a range of settings and across multiple vehicles for giving. For instance, a donor could:

- Write a personal check or donate online to a favorite cause
- Donate through a workplace or other federated giving program
- Give through one's church or religious institution
- Open a commercial charitable gift fund at a bank or financial services firm
- Use a donor advised fund at a community foundation
- Set up a private or family foundation
- Contribute through a giving circle



Source: Blueprint R&D, © 2002

Just a few of these giving vehicles actually include on-going guidance or learning components for donors. As mentioned earlier, most individuals are not aware that there is knowledge to acquire about giving, let alone where to find such support or programming. Some donors choose to bypass formal giving vehicles by making direct gifts to nonprofits or individuals. Those who are aware of such options and resources may seek philanthropic education outside of the giving vehicle(s) they utilize. As giving resides in a variety of 'vehicles', so too does philanthropic learning. The array of learning options includes:

- Talking with friends and peers
- Conferring with religious leaders
- Conducting research on the internet
- Contacting philanthropic resource organizations
- Participating in donor education programs
- Hiring a philanthropic advisor or consultant
- Consulting with professional and financial advisors
- Joining a philanthropic organization
- Participating in a giving circle

## An Ensemble of Learning

An ensemble of learning opportunities shapes the growth of a donor. As the donor is ready to possibly move from more casual opportunities to more formal, structured learning environments, their learning will change and become more in-depth and focused. In the same way that one matures as an active citizen, becoming a wise and engaged donor is a life-long journey that can involve participating in many learning and engaging environments:

- **One-on-one:** with advisors, consultants, mentors and coaches
- **Among peers:** social events, dinners, learning circles, professional associations, etc.
- **Within the community:** civic involvement, neighborhood work, faith institutions, etc.
- **Inside nonprofit organizations:** engaging in nonprofit site visits or serving as a board director, volunteer, donor or staff member of a nonprofit
- **In family settings:** family retreats, dinner table conversations, etc.
- **Through formal learning:** seminars, workshops, giving circles, conferences, etc. where there are usually formally designed experiences for donor learning and engagement.

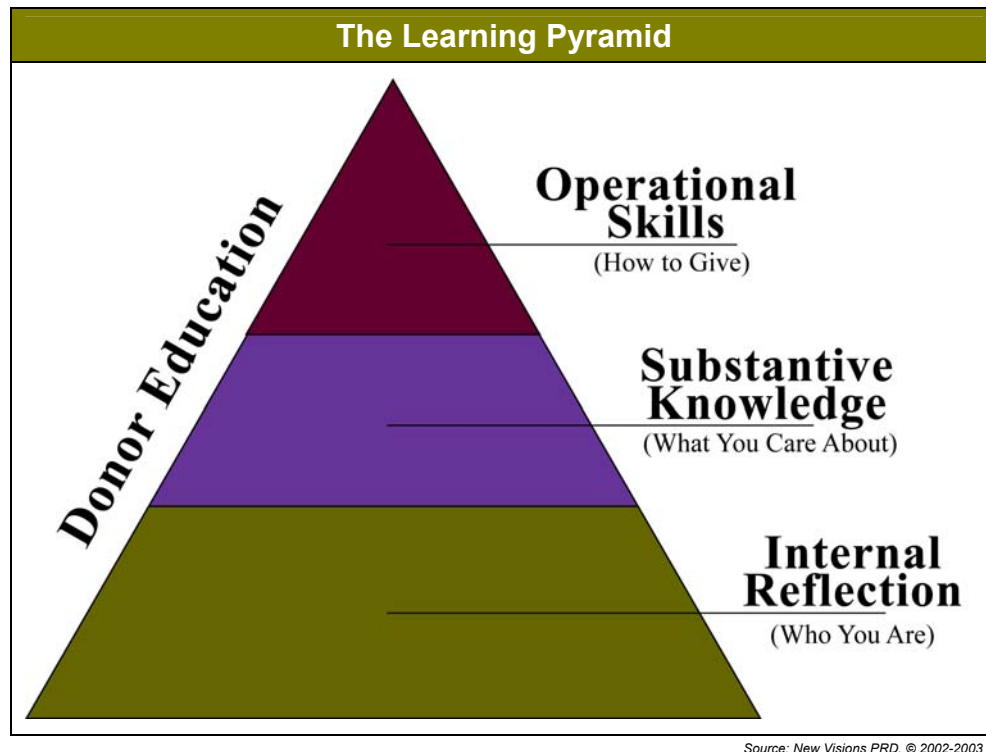
Donor education programs are developing to accommodate a variety of learning styles and formats, which extend from one-on-one consulting/coaching, peer group settings, formal workshop programs, hands-on and experiential engagement to self-guided and online learning.

Informal advice and coaching is an important part of the donor support system. Donors often find informal mentors in other donors and foundation executives who help them along their path. Kathleen Gwynn of the Steve and Michelle Kirsch Foundation in San Jose has found herself counseling many new donors. “I consider it a career coaching model. If you are trying to take people on the philanthropic journey, it’s like career coaching. When people get stuck, it often only takes one idea or suggestion to get them unstuck.”

Donor educators need to consider the multiple ways that people learn. They might consider, for example, the multiple intelligences theory of Howard Gardner that includes seven forms of learning intelligence (for example, verbal, visual, logical, and interpersonal). Adult educators find that people often learn best through experiential and practical settings where they can directly apply their learning. As the Chinese proverb states: *“Tell me and I forget. Show me and I remember. Involve me and I understand.”* For philanthropy education, this involves donors taking part in interactive site visits, attending study tours, volunteering or joining the board of a nonprofit, or participating in a grant cycle process.

## Frameworks for Donor Learning and Engagement

A number of frameworks or conceptual models for better understanding the process of donor learning and engagement are being developed. As this is a newly emerging field, the existing frameworks are being borrowed, debated and altered according to the type of donors being engaged and the readiness and/or capacity of donor educators to accommodate different learning styles. We highlight two such frameworks here, and include others in the appendix.



From the Donor Education Initiative interviews and assessment of the field, three distinct types of learning needs of donors emerge. What we call “The Learning Pyramid” refers to these core categories of donor learning:

- **Internal Reflection** (Who You Are: Identifying Your Value Base): Exploring the “why” questions of philanthropy based upon one’s personal history, values, passions, relationship with money, and planned legacy.
- **Substantive Knowledge** (What You Care About: Assessing the Desired Focus of Impact/Change): Learning about your community/place of interest, key issue areas, effective nonprofits, strategies for social change, and the global context.
- **Operational Skills** (How to Give: Mastering the Toolkit of Giving): Learning the strategies, tactics and tools of giving, such as selecting and using appropriate giving vehicles, managing tax and financial matters, reviewing proposals, researching an issue or group, asking good questions, evaluating nonprofits, and measuring impact.

The donor education field is highly varied in the focus and depth with which each program covers in these three core learning areas.

There is a logical progression of learning that starts at the base of The Learning Pyramid with internal reflection: Why do you want to give back to society? How can your philanthropy express your inner most hopes, dreams and commitment? What legacy do you want your financial wealth to serve?

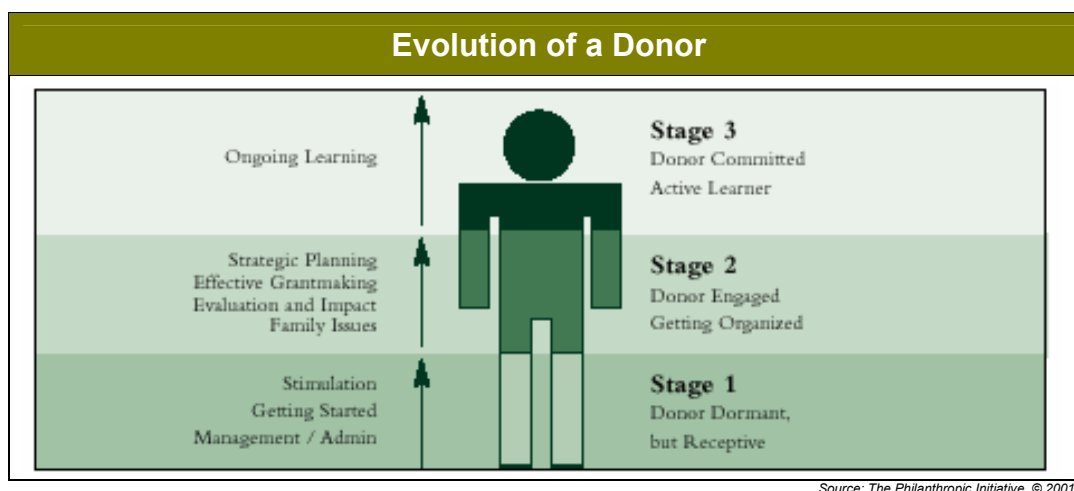
Joe Lamarda, Vice-President of the California Community Foundation, suggests that “The Learning Pyramid” could be inverted to match Maslow’s hierarchy of needs, whereby the personal transformation or “self-actualization” of a donor is placed as the highest point of the donor learning journey. He suggests that operational efficiency questions facing donors only satisfy the transactional requirements of giving, and thus could be placed on the bottom of the pyramid.

That said, existing donor education programs do not follow any one prescribed ladder of learning. In fact, much donor advising and support often begins at the top of the pyramid, with the tactics and tools of how to give. While this is an important element of being an effective giver, for many donors there is an important need to establish the deeper base for why one gives.

Some donors find that they want support and advice starting in the middle layer of The Learning Pyramid. Two of the main reasons that individuals choose to give are that they feel strongly about a cause or have personal experience with an organization. Learning thus often begins around a particular issue (educational reform, HIV/AIDs, or the environment, for example), where a donor's passion or affinity exists.

Our survey found that fewer programs address the bottom level of the Learning Pyramid, which includes the deeper personal and spiritual dimensions of money and philanthropy. Most programs are focused on issues external to the self. However, it is clear from our interviews that wealth in our society is a taboo issue. As one donor told us: "People will talk about their sex lives with strangers before they will talk about money."

For some people, especially of large inherited wealth, money can breed isolation and identity loss. Some very personal work is, therefore, considered needed, often outside of philanthropic advice (through groups like the Wealth Counselors Network and the Money, Meaning and Choices Institute). Philanthropy and donor engagement can help people recognize how, in the words of Paul Schervish, "a positive spirituality for affluent living can be developed that enables people to make wise choices among the obstacles and opportunities of affluence."



The Philanthropic Initiative (TPI) describes three stages in the evolution of a donor (discussed in their report "What's A Donor to Do?"). The three stages are based on a continuum of experience and engagement with philanthropy and are helpful in considering approaches and content in donor education design. The stages are: 1). **Dormant, But Receptive**; 2). **Engaged, Getting Organized**; and 3). **Committed, Active Learner**.

TPI acknowledges that a donor's learning journey can be a very idiosyncratic and non-linear process: "Engaging new and emerging donors is not a cookie-cutter approach. Donors come at the world of giving with a wide range of backgrounds, experiences, personalities, perspectives and influences. Some will move rapidly up the curve because of or even despite these factors; others will need a great deal of encouragement and support."<sup>10</sup>

<sup>10</sup> "What's A Donor to Do?: The State of Donor Resources in America Today," The Philanthropic Initiative, August 2000, p. 6.

## The Importance of Peer Learning and Donor Networks

In our research, it has been widely noted that donors, especially at the higher net worth end and among new donors, tend to be drawn to safe learning environments that facilitate engagement and networking with other donor peers. For some, they provide a sense of being part of a larger community, as well as a significant source of learning how to be an effective donor.

In our national survey, peer interaction between donors was cited as the most important design element of donor education programs. This accounts for the rapid spread of giving and donor circles across the philanthropic landscape, especially among women and in the high tech world. In these small groups and networks, individuals pool their resources, learn about philanthropy together, and make grants in their community, nationally and/or abroad.

Social Venture Partners (SVP) has emerged as the best known and most extensive network of donor circles in the country. SVP grew out of the tech industry in Seattle six years ago, and 27 other cities in the U.S. and Canada have replicated the model.

Each donor in SVP contributes \$5,500 annually for two years to the local affiliate, and participates in the grantmaking process to select which nonprofits receive three to five year grants that average \$30,000 per year. SVP donors also volunteer their technical or business expertise to these nonprofits in areas such as technology, finance, accounting, marketing and board development.

A year-long evaluation of SVP Seattle by Blueprint Research & Design Inc. found that SVP's most effective donor education tool was each donor's involvement in the capacity building work with nonprofits: "Although most people think of donor education as the myriad seminars that SVP offers, the impact of these activities on Partner's [or donor's] individual philanthropy paled when compared to the experience of volunteering and/or serving on a grant committee. These activities provide donors experiential learning."<sup>11</sup>

"The powerful thing is the network," says SVP Seattle Executive Director Paul Shoemaker. "Peer discussions have long-term leverage and value. We're this nexus and collection point of hundreds of engaged philanthropists who want to connect with each other and with other parts of the community."

A range of other donor networks that serve a variety of donor types and interests help to deepen the commitment and engagement of donors. This includes: the Women's Donor Network; the Jewish Funders Network; the Environmental Funders Network; the Social Venture Network; and annual conferences such as Outgiving (Gay/Lesbian) and Making Money, Making Change (young donors).

There are also now almost 100 women's funds affiliated with the Women's Funding Network. Approximately one-third of such organizations have donor circles, and those that do tend to host more than one circle.

Vanessa Kirsch of New Profit Inc. in Boston stresses the importance of a "club feeling" among the pool of donors she has organized who apply venture capital practices to invest in proven nonprofits: "The concept of the giving circle is why these people are doing it."

Giving circles enable public generosity across all wealth levels, and often emphasize the civic engagement side of philanthropy. For example:

- In rural Georgia, a white working class woman runs a group called Hairdressers for Humanity. Every Saturday, hairdressers cut hair for half a day and then pool their money together to give it away.

*"Donor circles are an amazing way for donors to learn cooperatively. They really engage and encourage donors."*

- Siobhan O'Riordan  
Director, Giving New England

<sup>11</sup> "Transforming Philanthropic Transactions: An Evaluation of the First Five Years at Social Venture Partners Seattle," by Kendall Guthrie, Alan Preston, and Lucy Bernholz, Blueprint Research & Design Inc., 2003.

- In Boston, the Tzedakah Collective brings together young professional women who work and study in the area and meet monthly to collect and donate funds for nonprofits and participate in community service projects.
- In California's Bay Area, three people invited a circle of friends of varying income to create the "Friday Night Shoe Box." Members give up their social plans one Friday night every two months, and meet on Sundays to discuss philanthropy and where to give the money they would have spent on a restaurant meal, movie or symphony. Donations to the community are made through a donor-advised fund.

## **Community-Based Philanthropy**

Another significant trend is for donors to learn and engage through closer partnerships with nonprofits and community-based leaders and activists in order to make funding decisions, through what some term community-based philanthropy. As described by Changemakers, a leading public foundation promoting community-based donor education: "It is important for donors and activists to make decisions together, allocating grants according to the combined wisdom of a diverse group of people." Changemakers calls this "a more democratized form of philanthropy" that donors and community leaders have collaborated together for greater due diligence.

Some 200 community-based funds have emerged over the past 30 years on the social change philanthropy landscape. These include women's funds, community-based public foundations through the Funding Exchange, national public foundations such as the Peace Development Fund and the Threshold Foundation, and donor-advised funds like the Tides Foundation and the Shefa Fund.

"Donor education is too donor-focused," says Changemakers founder Tracy Gary. "There is not enough outreach to nonprofits to help donors learn what they need to know. We need to keep diversifying our decision-making tables or our decisions will continue to benefit only those present."

"We need to create pathways to the street for donors, encouraging as much interactive learning as possible," says Alan McGregor, Director of Philanthropic Programs at the Southern Rural Development Initiative. "Learning does not need to happen in cloistered donor circles and donor-only retreats. Some of the most profound learning and personal change come in mixed groups where money, giving and community are open topics."



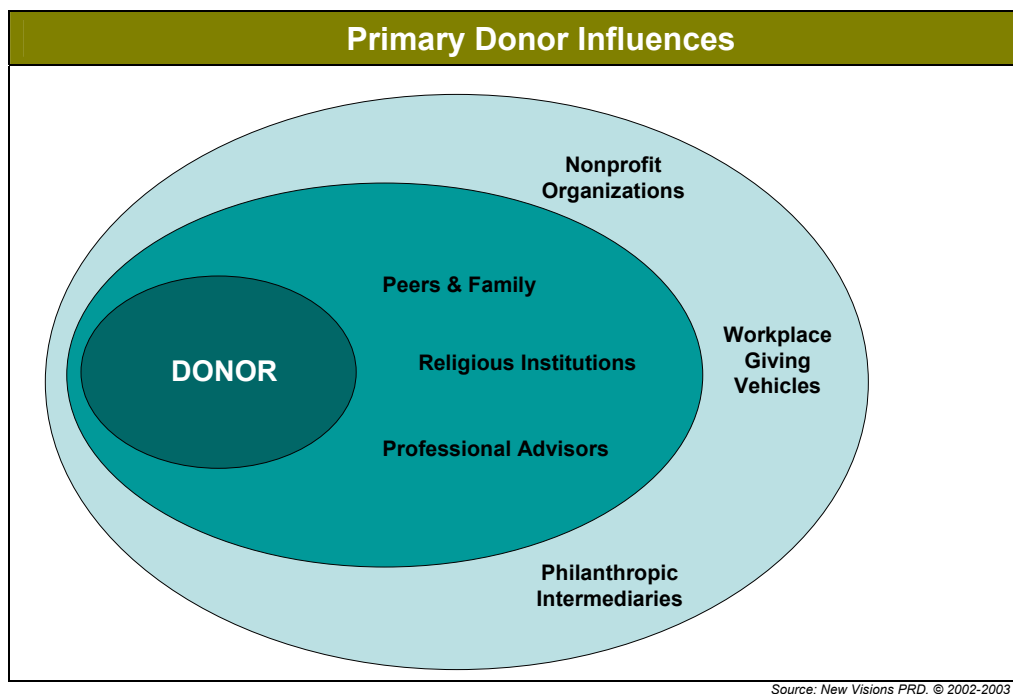
## IV. Contours of the Learning Landscape

It is challenging to map and analyze the varied landscape of donor education because it is in early, but rapid, formation. It is also critical to get the frameworks and the maps right because they must appropriately reflect the diversity and complexity of a far-flung, uneven, unarticulated and disconnected field. How we frame, map and analyze any emerging field can influence its future landscape.

There is no existing agreed upon framework, language or mental maps that encompass the emerging field of donor education. We offer the following taxonomies to help further conversation and common definition. Through this usage, the Donor Education Initiative hopes to help the field to better understand itself, who and what it is, and to help guide it with more intentionality into the future.

### Primary Sources of Donor Cultivation, Advice, Learning and Giving

As discussed in Chapter III, citizens begin their philanthropic journey in a variety of ways. To varying degrees, the following primary sources of donor cultivation, advice and learning offer formal learning and engagement opportunities. The graphic below illustrates both the personal sources of donor advice, and the intentional platforms for giving and philanthropic learning that surround a donor as he/she begins the journey.



- **Peers and Family:** In our interviews and surveys, donors and donor educators repeatedly underscore the important impact that peers, work colleagues and family members have in shaping one's awareness of, and path into, philanthropy. When possible, connecting potential or current donors with other donors who share the same passions, priorities and struggles is tremendously empowering and sustaining.
- **Religious Institutions:** Forty percent of all charitable donations in America are given through faith organizations, which distribute humanitarian aid and community services. The tithing tradition asks citizens to give every week.

- **Professional Advisors:** The professional advisor—financial and wealth advisors, private bankers, estate and trust attorneys, accountants, insurance agents, among others—are often the primary point of contact for how an individual may consider utilizing his or her financial resources for philanthropic purposes. While professional advisors do not offer formal donor education programming and are not a focus of this study, they are often a critical part of a donor’s learning journey.
- **Nonprofit Organizations:** Citizens directly encounter philanthropic giving opportunities through contact and engagement with the over 1.6 million nonprofit organizations in the United States. Fundraisers and development officers of nonprofits are a prime point of contact with donors. Donors also engage directly in the life of nonprofits while serving as board members, volunteers or even staff.
- **Workplace Giving Programs:** Currently, one-quarter of Americans work in companies with workplace giving campaigns, and of those workers, 35 percent give to the company’s campaign. Research shows that workplace donors want more choices, involvement and control with their giving.
- **Philanthropic Intermediaries:** This large grouping of organizations—which constitute the core of formal donor education programs—includes community foundations, public foundations, private foundations, national and regional associations, funder and donor affinity groups, and donor resource and support organizations.

## Types of Organization Providing Donor Education

The landscape of donor education providers is wide and varied, making it difficult to generalize about the donor education field. It is made up of a complex and emerging ecosystem to motivate, guide and support the wide diversity of donors in their philanthropic journeys.

There are significant differences in the motivations and approaches to donor learning and support according to provider types. Some are focused on promoting philanthropy and encouraging people to get involved, while others work with existing donors who want to give more effectively. Some organizations are focused on managing philanthropic assets, while others are committed to utilizing the power of philanthropy to effect social change and build healthier communities. Some involve a mix of these and other approaches.

This diversity of players and mixed set of missions has an impact on the products and services being offered. Nevertheless, some argue that what the field has in common is indeed greater than the identifiable differences. It may mean, however, that sub-groups should be more clearly identified for the purpose of helping donors better navigate the field, and for creating partnerships and collaborations within the field. For example, clusters of organizations may be identified along particular affinities (such as social change, community-based, faith-based, personally-focused, effective/strategic giving).

For the purposes of this project, our primary focus was on those providers that offer some type of proactive, formal and on-going group learning and engagement programs for donors. Some of the categories on the following list of 15 donor education provider types engage donors but typically on a one-on-one level. For a detailed description of major national providers of formal donor education programs, please visit [www.newvisionsprd.org](http://www.newvisionsprd.org).

- **Philanthropic Membership and Resource Organizations**  
*Examples: Association of Small Foundations; Council on Foundations; Regional Associations of Grantmakers/Donor Forums; National Center for Family Philanthropy; National Network of Grantmakers; New Ventures in Philanthropy; The Philanthropy Roundtable; More Than Money; Changemakers; Women’s Funding Network.*

The philanthropic field has witnessed a rapid growth over the past twenty, but especially the past ten years, in national infrastructure groups that help to engage, inform and support donors. For many years, the philanthropy world had only a single national “trade” organization—the Council on

Foundations, whose roots go back to 1949. As the number and types of foundations have mushroomed, so too have new membership and resource organizations at a global, national, regional and local level. This includes the 29 formally organized and staffed “regional associations of grantmakers” that represent more than 5,000 funding organizations. While these groups were often oriented to the professional staff of larger grantmaking foundations, the traditional and new infrastructure groups are evolving and emerging to serve the needs of individual donors and family philanthropies.

- **Donor Support and Peer Learning Groups**

*Examples: Giving Circles (numerous); Social Venture Partners; The Philanthropy Workshop/Rockefeller Foundation; The Foundation Incubator; SV2; Global Philanthropists Circle/Synergos Institute; Women’s Donor Network.*

Since the mid-1990s, the philanthropic landscape has witnessed the rise of new donor education and peer learning groups, for both high net worth donors and individuals of moderate means (as discussed in the previous chapter).

- **Community Foundations**

*Examples: Center for Venture Philanthropy/Peninsula Community Foundation; The Catalyst Project/Triangle Community Foundation; The Philanthropy Forum/Oregon Community Foundation; The Boston Foundation; Community Foundation Silicon Valley; The Community Foundation of Greater Atlanta; The Seattle Foundation.*

Community foundations incorporate a range of donor education models, which are discussed in greater detail in this report. A small but growing number of the 650 community foundations in the United States have designed formal, pro-active and on-going donor education programs (as discussed further in Chapter V).

- **Young Donor Organizing Groups**

*Examples: Active Element; InvolveX; Making Money Making Change; Resource Generation; Third Wave Foundation; Young Donor Organizing Alliance.*

Seeking to fill a void for twenty and young thirty-something youth within the existing philanthropic infrastructure, a string of self-described “young donor organizing” groups emerged during the height of the financial boom, expanding its reach beyond the East Coast corridor.

- **Student & Youth Philanthropy**

*Examples: Learning to Give/Council of Michigan Foundations; Youth Philanthropy of Indiana; Youth Philanthropy Worldwide; specialized programs within community foundations.*

The 1990s witnessed the development of community and school programs that engage young people in the practices of philanthropic giving and grantmaking. Youth philanthropy programs typically involve a group of teens recruited from high school and community groups who are responsible for assessing needs and organizations in their communities in order to distribute grants from a dedicated fund. There are also efforts to develop K-12 curricula that introduce philanthropic traditions and principles to young people and link them to community initiatives and nonprofit organizations.

- **Philanthropic Advisory Organizations**

*Examples: Family Philanthropy Advisors; IFF Advisors; Rockefeller Philanthropy Advisors; The Philanthropic Initiative; Strategic Philanthropy, Ltd., Tides Foundation*

There are a handful of larger entities, such as The Philanthropic Initiative in Boston which has been a pioneer and national leader in the field since its start-up in 1989. Rockefeller Philanthropy Advisors, which advises members of the Rockefeller family and other high net worth individuals, is the most recent large player on the scene. Further information and referrals to philanthropic advisors and consultants can be provided by the National Center on Family Philanthropy (which has a database of over 8,000 individual consultants), the Philanthropic Advisory Services of the Council on Foundations, and More Than Money.

While tending not to offer formal donor education programs, philanthropic advisors and consultants play an important hands-on role as coaches, administrators and sounding boards to donors seeking one-on-one or customized support. Most of the advisory and consulting firms are small one or two person shops. Independent advisors are often brought in by nonprofits, community foundations and other charities to deliver presentations on a range of topics to donors.

- **Venture Funds**

*Examples: Acumen Fund; Entrepreneurs Foundation; Legacy Ventures; New Profit Inc.*

Venture funds have emerged over the past five years as an innovative way to engage pools of new donors and venture capitalists in social investments and hands-on technical assistance to nonprofits that increases their capacity, performance, and ability to grow to scale. The engaged investor model represents an experiential learning model.

- **Public Foundations**

*Examples: Changemakers; Tides Foundation; Twenty-First Century Foundation; Women's Funds; Social Change Funds (Funding Exchange, etc.).*

Public foundations allow donors the opportunity to pool their funds in support of a particular cause or issue. Like giving circles or community foundations, public foundations choose an issue or mission (social or racial justice, women's empowerment, gay rights, etc) that impacts a geographic region or particular community. Public foundations offer varying levels of donor learning and engagement opportunities.

- **Private Foundations**

*Examples: Rockefeller Foundation/The Philanthropy Workshop; Hewlett Foundation & TOSA Foundation/The Philanthropy Workshop-West; Ford Foundation (GrantCraft); The Gill Foundation (OutGiving Project).*

A few private foundations have started programs that serve to engage and support individual donors. The best known effort is The Philanthropy Workshop created by the Rockefeller Foundation, and later expanded to the West Coast under the sponsorship of the Hewlett and TOSA foundations. The Ford Foundation's GrantCraft Project offers donors learning tools on effective grantmaking. Foundation leaders and program officers also provide ad hoc and informal advice and guidance to major donors.

- **University Programs**

*Examples: Hauser Center for Nonprofit Organizations/Kennedy School of Government and the Initiative on Social Enterprise/Harvard Business School; Center for Social Innovation/Stanford University Business School; Social Welfare Research Institute/Boston College; Center on Philanthropy/Indiana University*

A small number of universities have developed research and educational programs that serve to support the learning needs of donors and to develop the knowledge resources utilized by donor educators. A few executive education seminars have been offered (Stanford and Harvard) over the past few years on strategic philanthropy for both individual donors and foundation professionals. Research scholars from these and other universities serve as resource people in donor education programs nationally. University courses that incorporate the topic of philanthropy tend to teach about the history and practice of philanthropy rather than address students as donors or would-be donors.

- **Workplace Giving Vehicles**

*Examples: United Way; America's Charities; Community Shares; Earth Share, others.*

The 1400 local United Ways—the oldest and largest workplace giving program—raised 3.7 billion in their 2002/03 annual campaigns. Between 1991 to 2001, United Way fundraising underwent a dramatic shift as support from average donors declined and major gifts from wealthy donors rose by over 400 percent. A number of alternative workplace giving programs, such as Arts Funds, Black United Funds, Environmental Funds, and Social Action Funds, have grown steadily over the past

decade. These funds better enable workplace donors to give to areas such as social action and organizing, and tend to support community-based, grassroots organizations.<sup>12</sup>

- **Faith-Based Organizations**

*Examples: Bread for the Journey; The Gathering; Jewish Funders Network; FADICA; Christian Community Foundation; Michigan McGehee Interfaith Loan Fund; Ministry of Money; The Shefa Fund; The Trinity Forum.*

A small number of faith-based philanthropic membership associations and funding intermediaries exist among different religions (Catholic, Evangelical Christian, Jewish, etc.) that bring together and support donors acting from their religious value-base. Some of these organizations note a vacuum related to lay education on philanthropic investing in the community. Informal interviews with theological seminaries throughout California by New Visions PRD indicated that little education exists that integrates secular philanthropic learning with faith-based notions of stewardship.

- **Professional and Wealth Advisors**

*Examples: Family Office Exchange/The Learning Academy; The Legacy Companies (Boston); Signature Financial Management (Virginia); Wealth Counselors Network.*

Wealth advisors and financial planners, together with trust, estate and insurance professionals, can be critical providers of philanthropic advice and planning for donors. However, national research has shown that upwards of more than half of financial and legal advisors do not discuss their clients' charitable or social values, or help them develop a philanthropic mission.<sup>13</sup> While most learning or engagement with clients in this community occurs one-on-one, a number of programs within larger wealth advisory organizations and family offices have developed programs featuring or including donor education components.

- **Banks & Financial Services Institutions**

*Examples: Bessemer Trust; Capital Guardian; Citigroup Private Bank; Deutsche Bank; Fleet Bank; Mellon Bank; Merrill Lynch/Center on Philanthropy and Nonprofit Management; Northern Trust; US Trust; Wachovia.*

As discussed in greater detail in the next chapter, some banks and financial service institutions have entered aggressively into the field of philanthropic services, notably through donor-advised funds. For the great majority, these institutions do not offer formal donor education programs, although some are doing so in partnership with philanthropic organizations.

- **Corporations**

*Examples: CISCO; Microsoft; AOL/Time Warner; Timberland.*

Many corporations engage and educate their employees about philanthropy through employee donation matching programs and volunteering initiatives. Various companies of all sizes are experimenting with new models to enlist employees in corporate citizenship and community investment programs.

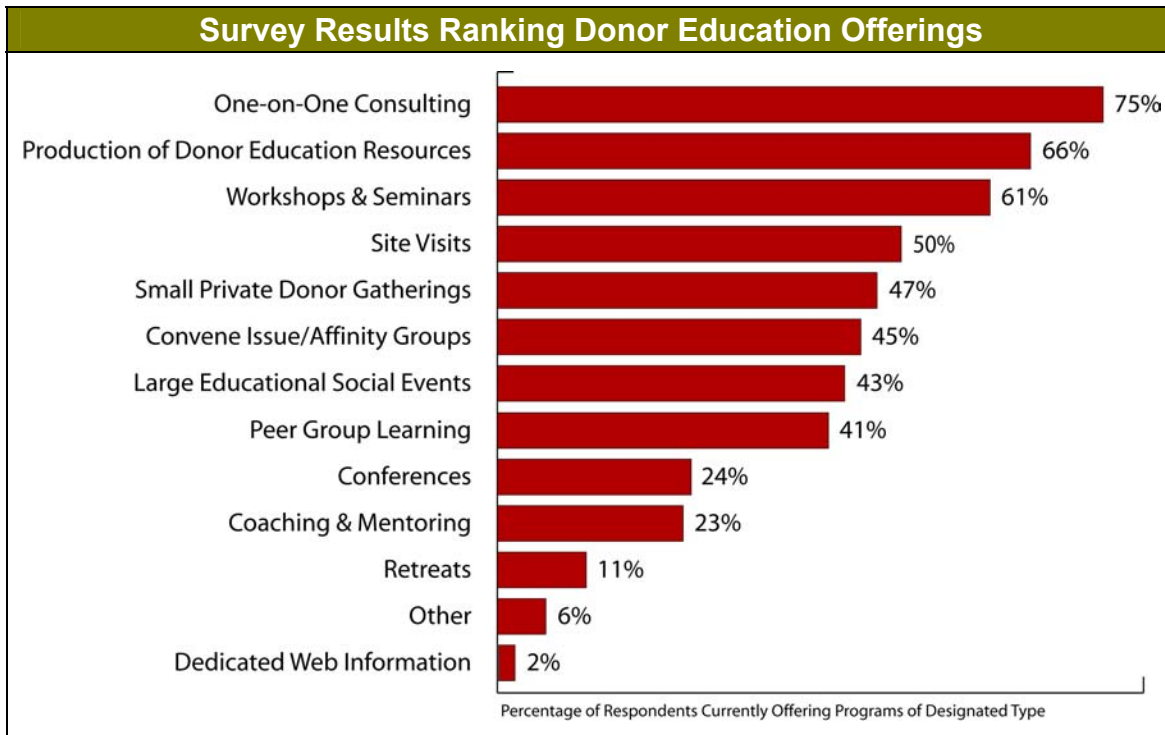
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<sup>12</sup> "Giving at Work 2003," National Committee for Responsive Philanthropy, July 2003.

<sup>13</sup> "Doing Well By Doing Good," The Philanthropic Initiative, Inc., June 2000.








## Types and Formats of Donor Education Programs

The chart below highlights the most common types of programs and services being offered to help inform and support donors, according to the National Survey on Donor Education. The most common forms of donor education are one-on-one consultations and discussions. Seventy-six percent of surveyed providers offer this service. Workshops and seminars are the most common form of group learning (offered by 61% of providers surveyed). Site visits to nonprofits, small private donor gatherings, group discussions on particular issues, large educational social events, and peer group learning are the other most common types of programs. Surprisingly, only two percent of respondents said they offer dedicated web-based information on donor education.



Source: New Visions PRD National Survey on Donor Education, © 2002-2003

## Donor Education Program Formats

|   |   |
|---|---|
|  <b>Large Events</b> <ul style="list-style-type: none"> <li>▪ Speaker/panel w/ Q &amp; A</li> <li>▪ Community issue</li> <li>▪ Donor Education theme</li> <li>▪ 2-3 hour format</li> </ul>         |  <b>Small Events</b> <ul style="list-style-type: none"> <li>▪ Speaker/Facilitator</li> <li>▪ Brown bag lunch/breakfast discussions</li> <li>▪ Donor dialogues</li> <li>▪ Workshop – skill-building sessions</li> </ul> |
|  <b>Conferences and Retreats</b> <ul style="list-style-type: none"> <li>▪ One to several days in length</li> </ul>   |  <b>Site Visits</b> <ul style="list-style-type: none"> <li>▪ Local</li> <li>▪ National</li> <li>▪ International</li> </ul>   |
|  <b>Socializing/Party Event</b> <ul style="list-style-type: none"> <li>▪ Combined with educational process/program</li> </ul>  |  <b>Dinner Party Engagement</b> <ul style="list-style-type: none"> <li>▪ Pre-designed/intentional</li> <li>▪ Formal/informal</li> <li>▪ Ask and Location key (safe/comfortable)</li> </ul>                             |
|  <b>Community-Based Issue Fund</b> <ul style="list-style-type: none"> <li>▪ Democratizing elements</li> <li>▪ Mixed wealth levels</li> <li>▪ Broader community outreach and involvement</li> </ul> |  <b>Mentoring Process</b> <ul style="list-style-type: none"> <li>▪ Giving or Donor Learning Circles</li> <li>▪ Coordinated Mentor and Coaching Programs</li> </ul>   |

## Learning Content

As noted in the previous chapter, the learning content in donor education programming varies widely across the three core categories (internal reflection, substantive knowledge and operational skills) of The Learning Pyramid. This is due, in part, to the lack of agreed upon frameworks or bodies of knowledge that can help guide the development of effective and comprehensive donor education curriculum.

There is limited capacity within small and medium-size organizations to develop their own in-house learning curriculum for donors. Some 30 percent of the respondents to the 2003 Survey of Donor Education Providers said that they needed help and were seeking advice from others in developing their donor education programs. Moreover, 85 percent of those respondents said they would like to see the national development of downloadable donor education resources.

For these reasons, there is a field-wide need to develop standard and universal types of donor education curriculum to achieve more uniform program quality and to realize economies of scale.

Two repeated themes related to the learning content of donor education programs surfaced in survey data and among those interviewed and engaged in the Donor Education Initiative:

- **Growing Beyond Philanthropy 101:** Presently, the large majority of formal donor education programs remain targeted at the “Philanthropy 101” entry level audience, where there is an increasing growth of such programs. Few programs are available at the intermediate and advanced stages of donor development. Even fewer programs are developed along a learning curve that helps donors travel up a designed education process, moving from one stage to the next higher level. Many donor education groups are struggling with the question of how to find or develop deeper learning pathways for the people they serve. As Paul Shoemaker of Social Venture Partners Seattle asks: “Where is the graduate and masters’ level learning for donors?”

- **The Need for Comprehensive & Continuous Learning:** Existing formal donor learning opportunities across the country tend to be one-off events. Very few programs provide a continuous process and space to engage donors along their learning journey. There is still a lack of “new learning systems that engage, educate, and enable donors to move up the curve to more thoughtful, high-impact giving” recommended by Ellen Remmer and TPI in their 2000 study “What’s a Donor to Do?”

Only a few organizations have the scale and/or resources to create such programs on a local, national or global level—like Social Venture Partners or The Philanthropy Workshop. Even those organizations are limited to the extent in which they alone can meet the learning and support needs of their own donors. As Sal LaSpada of The Philanthropy Workshop told us, “We are probably one of the largest donor education programs, and we can still only scratch the surface. We can never count on the four weeks of the year to cover everything that donors need to know. All we can equip people with is just to be able to ask all the right questions. This is a big field that is trying to solve complex problems.”

Our research also highlighted content issues cited by donor educators as deserving a more important place in donor education curriculum. While by no means comprehensive, these include the following:

- **The Traditions of Giving:** Donor education programs tend to overlook the historical traditions of philanthropy in America. The late Paul Ylvisaker, a wise observer of American philanthropy and a donor advisor himself, once wrote of the three great traditions of giving: **charity** (to alleviate suffering); **patronage** (advancing talent through the arts and education); and **philanthropy** (looking beyond immediate need to create systemic understanding and change). While acknowledging the importance and place of all three traditions, Ylvisaker observed that because charitable dollars are a limited and precious resource, many donors opt to seek the possibilities made possible by change-oriented philanthropy.<sup>14</sup>

Donor education programs often overlook the need to raise discussion and reflection about the fundamental ends and promises of philanthropic action for the public good. As one foundation official wondered: “What good is perfectly organized philanthropy that has little impact in the world?”

- **How Much To Give?** Some donors enter philanthropy wondering how much they can really afford to give. “The problem is not that people are not engaged in philanthropy at all,” says George McCully, president of the Catalogue on Philanthropy in Boston, which has helped to grow philanthropic giving in Massachusetts. “The problem is that they’re simply giving too low in relation to their income. Generosity is not how much you give, but how much you give in relation to all that you have.”

While this is a sensitive topic for donor educators or professional advisors to bring up with donors/clients, it is made easier by tools developed by the NewTithing Group in San Francisco. NewTithing has developed a PrudentPal Charitable Giving Planner, which allows users to enter an array of financial data via the internet, and thereby explore affordable giving levels. “This tool can change the way people think about affordable giving by helping them proactively budget for charity each year, instead of simply reacting to solicitations,” says NewTithing Group founder, Claude Rosenberg.

- **Nonprofit Capacity Building and Sustainability:** During our interviews and review of existing donor education programs, we found that relatively few involve deeper examination about how donors can best help to strengthen the internal capacity and long-term sustainability of nonprofit organizations. This topic has become a theme of increasing importance within the philanthropy world and especially among larger organized foundations, some of whom launched Grantmakers for

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<sup>14</sup> A point highlighted by Ylvisaker biographer Ginny Esposito.



Effective Organizations (GEO). However, it has not come to be seen as a core skill when informing and engaging individual donors.

One clear exception is the work of Social Venture Partners (SVP), which has a dual mission both to create more informed and engaged philanthropists, and to nurture stronger nonprofits. This latter agenda is achieved by having SVP donors (or partners) volunteer to lend management and technical assistance to nonprofits that are funded by pooled SVP funds. A recent evaluation of SVP Seattle found that SVP donors increased their knowledge of “nonprofit organizational culture,” which made them “more willing to contribute to the general operating support of nonprofits because they now understood how valuable this was to nonprofits.”<sup>15</sup>

## Components of Effective Programs

What is effective donor education? What makes this work worth the investment of time and resources? How are donors changed in the process? What are the proper metrics to use to assess the impact of donor education? Practitioners in this emerging field are just beginning to grapple with these critical questions. Success could mean a variety of things, including:

- Increased amounts of giving
- More focused and thoughtful giving
- Having a greater impact on issues
- Stronger philanthropic values and passions
- Greater family involvement
- Clearer frameworks for giving
- More engagement in community life

Some of this work, like philanthropy in general, is just not measurable or quantifiable. The ineffable, spiritual and relational aspects of philanthropy defy metrics. Peter Karoff, founder of The Philanthropic Initiative, underscored four essential elements of working with donors during the National Gathering on Donor Education:

1. **Inspiring Motivation:** “One way or another we have to get people excited and energized.”
2. Delivering **substantive and understandable content**.
3. Establishing a **relationship of engagement and connection**.
4. Forming a **community of interest:** “The whole field is really built around communities and interests.”

During our interviews, surveys and convenings, we tried to uncover some of the generally agreed upon principles and practices that constitute effective donor education. In the 2002 National Survey of Donor Education Programs, we asked participating organizations to summarize what they have learned about how best to design education programs for donors. The results are highlighted in the following set of nine effective donor learning program practices, starting with those most commonly cited, with direct sample quotes from survey participants for the top five:

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<sup>15</sup> Kendall Guthrie, “Nurturing a Philanthropic Ecosystem: Five Years of Lessons from Social Venture Partners Seattle,” Blueprint Research & Design, Inc., March 2003.

## Effective Donor Education Program Practices (Compiled from Survey Results)

### 1. **Tailor Programming to Donor Level and Needs**

“Programs must vary in intensity and content, and be matched to the level of philanthropic involvement of the individuals.”

“Programs must reflect the ‘stage’ that the donor is at in their giving.”

“Provide a variety of experiences that help to move donors up the philanthropic ladder.”

“Meet donors where they are.”

### 2. **Create Peer Interaction and Connection**

“Give donors an opportunity to network with peers.”

“Donors learn from colleagues – primarily funder networks and collaboratives.”

“Connecting donors who share similar purposes or struggles is tremendously empowering and sustaining.”

“One-on-One interaction between our members creates strong bonds and an intimate climate which fosters enthusiasm and ideas.”

### 3. **Engage the Values, Emotions, Thoughts and Actions of Donors**

“Bring people together out of isolation and talk about issues from both a factual and emotional perspective.”

“Work at the heart level as well as the intellect.”

“Encourage donors to think deeply about their giving (best gift, worst gift, social goals, etc.).”

“Encourage boldness in clarifying deep personal values.”

### 4. **Involve Donors in Shaping the Development of Programs**

“The best way to design education opportunities for donors is to ask them what they want.”

“Design programs in response to donors' stated interest in learning.”

“Speakers and content need to be vetted and you need to be constantly surveying your donor base for their interests and needs.”

### 5. **Provide Real-Life Case Studies and Stories / Experiential Learning / Site Visits**

“Direct contact with our [nonprofit] partners dramatically enhances any educational experience.”

“Personal stories have the most impact.”

“Case studies, examples, and stories are the best way to illustrate principles and concepts.”

“Foster connections between donors and grantees.”

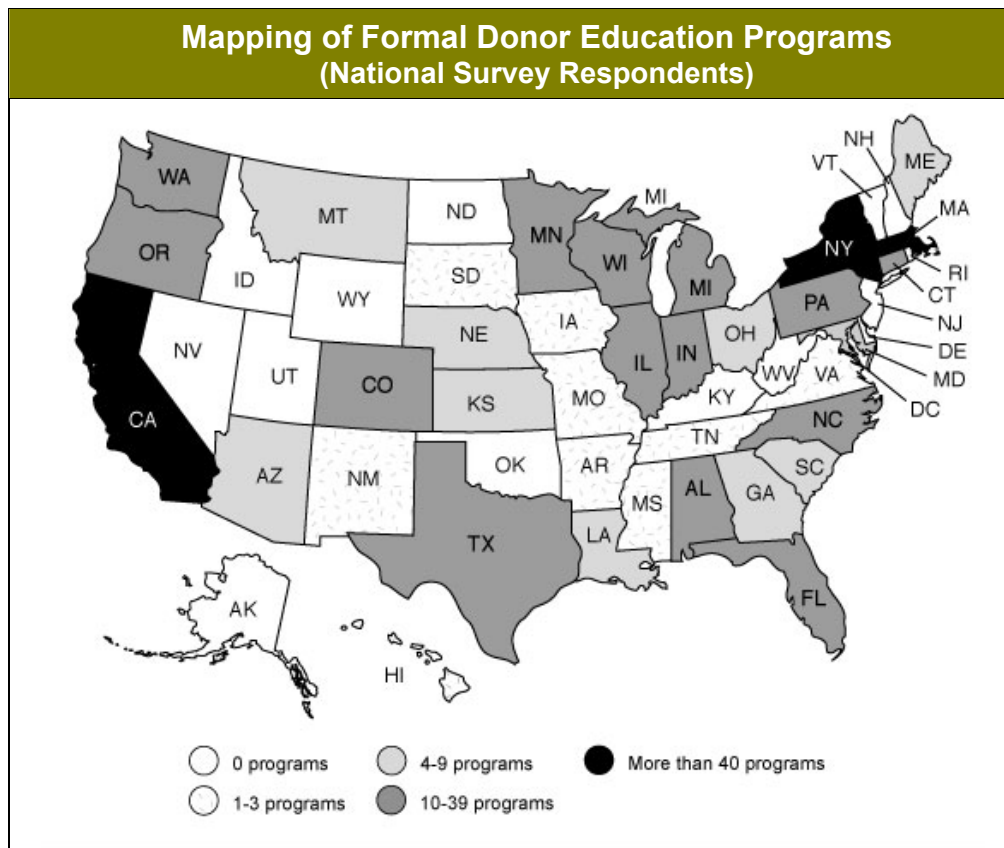
### 6. **Topics should be timely, specific and substantive**

### 7. **Offer appropriately-timed programs that start and end on time**

### 8. **Commit staff to ongoing personal contact with donor before and after education programs**

### 9. **Have an inspirational (and locally recognized) speaker**

## The Geography and Demographics of Donor Education Programs



Source: New Visions PRD National Survey on Donor Education, © September 2002

### The Donor Education Divide

Above is a nationwide map derived from over 183 respondents to New Visions' National Survey of Donor Education Programs (see Appendix for list of all survey respondents). The map reflects the number of formal donor education programs cited by survey participants by state. Formal programs are defined as donor education workshops and seminars, conferences, convenings, small private donor gatherings, retreats, peer groups, university courses, and integrated coaching/mentoring programs. It should be noted that an organization is represented on the map according to where their main office is based, yet such groups may offer workshops or other types of programs outside of their home state (especially national groups). As the donor education field is dynamic and growing, and the survey is by no means comprehensive of all providers, this map should be viewed for the general patterns it reveals rather than capturing actually existing numbers of programs.

This initial topography of formal donor education programs in America reveals the geographic concentration and gaps of the current national landscape. Some states (and within them large cities) are heavily represented, while large swaths of the country have little or no coverage. The "Big 3" states of donor education are California (21%), New York (13%) and Massachusetts (8%), which account for 42% of the self-described formal donor education programs nationally. Six Midwestern states account for another 16% of listed programs. Thirteen states overall (white) had no reporting of formal donor education programs by survey participants. In short, there clearly is a "donor education divide" in this country for access to donor education programs and services.

## Reaching the Changing Donor Demographics

The donor education divide is demographic as well geographic. Numerous studies on America's changing demographics underscore how the population of new donors is becoming increasingly more female, more racially diverse, and younger. Our February 2003 supplemental donor education survey helps to measure the degree to which donor education providers are addressing the changing donor landscape. Overall, it is clear from our surveys and interviews that the donor education field needs to better reach the diversity of America's donating public. As the chart below indicates:

- Women represent the leading demographic group for whom program providers design customized programs. One-third of the organizations surveyed (34 groups) responded that they currently offer donor education programs designed specifically for women. An additional 16 organizations expressed interest in learning how to design such programs.
- Only 14% of survey respondents said they offer programs geared to ethnic donors. 21% of the organizations that do not said they were interested in developing such programs.
- Few programs exist for elementary or college age youth among those surveyed, although there is interest to develop such targeted programs in the future.

| Donor Education Programs by Demographic Groups |                   |                            |
|--|-------------------|----------------------------|
|  | % Currently Offer | % Interested in Developing |
| <b>Women donors</b>                            | <b>32</b>         | <b>15</b>                  |
| Whole families                                 | 26                | 31                         |
| Parents  | 25                | 18                         |
| Youth (general)                                | 20                | 21                         |
| Ethnic donors                                  | 14                | 21                         |
| Grandparents                                   | 11                | 13                         |
| Youth (secondary)                              | 10                | 9                          |
| Rural donors                                   | 10                | 13                         |
| Faith-based donors                             | 10                | 14                         |
| Gay/Lesbian donors                             | 9                 | 12                         |
| Youth (college)                                | 7                 | 15                         |
| Youth (elementary)                             | 3                 | 9                          |

Source: New Visions PRD National Survey on Donor Education, © September 2002

As the donor education field expands its presence within diverse communities and constituencies, it must also adapt its program content and outreach strategies to the specific needs of the following population groups. While much can be written about the contextual circumstances and existing outreach efforts within each of these demographic groups, we only here highlight a few key considerations.

### Women

Donor education geared for women is most directly available through the nearly 100 women's funds that exist in the United States as part of the Women's Funding Network. According to researcher Stephanie Clohesy, approximately one-third of such organizations have donor circles, and those that do tend to have more than one. Women in the foundation community and individual donors are also served by other national organizations, including Women & Philanthropy, the Women's Donor Network, the Women's Philanthropy Institute, and Resourceful Women.

Women now make up, for the first time ever, nearly half of all investors with \$100,000 or more in investment assets, a figure that grew by 11 percent in just two years. As one study found, in wealthy

households “the woman of the house is more likely to share or take sole responsibility for decision-making related to charitable giving, and tends to be more interested in making charitable donations than her male partner.”<sup>16</sup>

Researchers find that women have different learning styles than men, and tend to want to learn in community. According to a 2001 Harris Interactive survey, 86% of women give because of a strong feeling about a cause compared to 66% of men. Likewise, women give to a smaller number of nonprofits than men (less than 5 versus 6-10) suggesting a strong focused commitment to particular issues or groups. As Sondra Shaw Hardy and Martha Taylor, founders of the Women’s Philanthropy Institute, wrote in their book *Reinventing Fundraising*: “Women’s philanthropic motivations, or values, are a product of socialization and a collective feminine history that is vastly divergent from that of males.”

Women act as key catalysts for bringing families to the giving table. “Women are the economic and philanthropic mentors of their families,” says Tracy Gary, founder of Resourceful Women. “To invest in the donor education of women is important for the development of whole families and communities.”

### **Ethnic & Racial Groups**

At the start of the new millennium, thirty percent of the United States population was comprised of African Americans, Latinos, Asian Americans and Native Americans. By 2050, according to the U.S. Census Bureau, America will be one half white and one half all other ethnicities and races. The rising wealth among these four population groups increases their potential as donors.

Despite these dramatic trends, much of the traditional philanthropic world, including the donor education field, has overlooked or ignored these significant and increasingly affluent populations.

“The philanthropic field and fundraising community,” observes Diana Newman, author of *Opening Doors: Pathways to Diverse Donors*, “have focused their asset development efforts almost solely on white donors, assuming that people of diverse ethnicity were either financially incapable of participating as donors or simply not philanthropic.”

Encouragingly, a number of ethnic and racial-based funds and intentional outreach efforts have been developed within community foundations, and as workplace giving organizations (such as the National Black United Fund). Moreover, national philanthropic organizations such as Hispanics in Philanthropy, National Center for Black Philanthropy, the 21<sup>st</sup> Century Foundation, First Nations Development Institute, Native Americans in Philanthropy, and Asian American/Pacific Islanders in Philanthropy serve both professional foundation staff and individual donors. New Ventures in Philanthropy has also funded collaborative projects to engage and educate new donors in diverse communities, like the African American Philanthropy Initiative in Baltimore which has produced the “African American Giving Tool Kit”.

Ethnic and recent immigrant communities tend to give to local, community-based organizations such as churches, mosques and temples, and through family, cultural, business, civic, and mutual aid associations rather than through mainstream philanthropic institutions. Researcher Jessica Chao says that these community-based associations serve as de facto donor circles in ethnic communities. “The giving that people of color are used to is very collective and group-oriented.”

It is thus important for donor education organizations and initiatives to build relationships and outreach to these places where more diverse donors find affinity, support and trust. For example, the Coalition for New Philanthropy in New York holds numerous donor outreach events with many such organizations in the Asian-American, African-American and Latino communities.

To address the widespread need for more philanthropic training for members of ethnic populations, the Forum of Regional Associations of Grantmakers suggests several strategies for working with diverse communities, including: 1) Develop collaborative programs with local organizations that primarily serve

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<sup>16</sup> In “High Net Worth Individuals: Giving Back to Community,” published by the Community Foundation R&D Incubator, 2002.

diverse populations; 2) Invite leaders from minority communities to participate, both as presenters and attendees, in programs about philanthropy; 3) Host meetings or workshops for and by donors of specific ethnic cultures; 4) Support the development of local affinity groups or giving circles for specific populations; and 5) Provide assistance and support on philanthropic options to those who advise wealthy ethnically diverse individuals and families.

## **Children & Youth**

An encouraging trend over the past decade has been the development of children and youth philanthropy programs. These programs teach children and young adults that everyone can be a philanthropist through the time, skills and money they can offer to help others.

Today's youth and young adults stand to be major beneficiaries of the massive intergenerational transfer of wealth to be passed on over the next 50 years. We also know that the prime determinant of philanthropic generosity is volunteer and civic engagement in one's formative years. That said, it is imperative that young people have ample opportunities to be engaged in civic and community life through giving and volunteering.

There are now over 300 youth and high school philanthropy programs nationally, and in some eight countries as well. Teachers around the country can download some 500 K-12 "Learning to Give" lesson plans developed and tested by teachers ([www.youthgrantmakers.org](http://www.youthgrantmakers.org)). "We are nurturing the philanthropic sector's future leaders," said Rob Collier, President of the Council of Michigan Foundations

"This is the age of multi-generational giving," said Ginny Esposito, President of the National Center for Family Philanthropy. Well over half of the 25-30,000 family foundations in America were formed over the past 20 years. Parents increasingly want to pass on not just their money, but their philanthropic values, impulses and legacy to their children. Transmitting the family's philanthropic legacy across generations requires intentional teaching and learning opportunities. Youth philanthropy offers such children and young people the opportunity to learn and engage in their community and the world, and in the process gain a greater sense of purpose and social reward. It can also help ensure that family foundations survive succession transitions to the next generation.

Therefore, more donors are recognizing the importance of engaging their children in philanthropy at an early age. Yet many family foundations start involving their children too late in their foundations, bringing them in during their 20s and 30s, or even later. Susan Crites Price, author of *The Giving Family*, argues that the prime years for engaging children in philanthropy are between ages 5-15.

With donors entering philanthropy at a younger age, often as parents with young children, there is an increased concern about the issues of kids with wealth. "Donors don't want their kids to be 'deer in the headlights' or grow up with a sense of noblesse oblige," says Joe Breiteneicher, President of The Philanthropic Initiative.

For affluent families, parents recognize that significant financial wealth can "curb motivation and isolate children from the real world," according to Harvard's senior philanthropic adviser Charles Collier, author of *Wealth in Families*. "Family philanthropy has the potential to provide a safe environment in which children and grandchildren can learn the skills and competencies necessary to lead fulfilling lives and steward inherited wealth responsibly."

## **Seniors**

A new golden age of giving may well be led by those in their golden years. The aging baby boom generation is the largest generation in American history, and is at the center of the intergenerational transfer of wealth. Boomers will receive sizable inheritances, but their greatest legacy will be as benefactors to the children and grandchildren, and to the rest of society. With an inverted age pyramid shaping the flow of giving over the next 50 years, it is especially important to nurture an intergenerational transfer of philanthropic values at both ends of the age spectrum—youth and seniors.

## V. Core Field Issues

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During the course of our research, a number of critical issues, challenges and opportunities facing the donor education field were underscored. In this chapter, we explore the following nine core field issues and trends which help to frame the Blueprint for Action at the end of this study.

1. **Expanding the Reach of Donor Education**
2. **The Economics of Donor Education**
3. **The Marketing and Promotion Challenge**
4. **Building the Capacity of the Field**
5. **The Need for Professional Standards and Ethics**
6. **Provider Competition and Donor Learning**
7. **Opportunities and Challenges for Community Foundations**
8. **The Growing Role of the Financial Services Industry**
9. **The Globalization of Giving and Donor Education**

### Issue 1: Expanding the Reach of Donor Education

Despite the steady growth in the number of donor education programs, the field is still young and reaches only a small share of the existing and potential donor base. “We need to work in a massive way to move and educate Americans as donors,” says veteran donor educator and activist Tracy Gary, author of *Inspired Philanthropy*. “Imagine if every adult and child truly understood community need and civil society, and their possibilities for influence and partnership.”

Overall giving by Americans for the past 50 years has been flat, representing less than two percent of adjusted gross income and about two percent of gross domestic product. Individual giving has ranged from 1.9 percent of personal income in 1970, to a 30 year low of 1.5 percent in 1995, and back to 1.8 percent in 2000. As scholar Lester Salamon observes: “While individual giving has grown in absolute terms [since 1970], it has declined as a share of national wealth and as a share of the income of the nation’s nonprofit organizations.”<sup>17</sup>

#### Reaching the Spectrums of Wealth

Donor education organizations tend to target the top 5% of wealth holders in America. They do so because approximately one-half of the \$184 billion given to charities in 2002 by individuals came from the richest 7% of households with a net worth of \$1 million or more.<sup>18</sup>

According to HNW, a company that develops marketing campaigns for financial services companies, the high net worth population—measured in net worth of \$1 million or \$500,000 in investment assets—is estimated at over seven million individuals in the United States.

Generally speaking, higher echelon givers are served by wealth management firms such as JP Morgan and Goldman Sachs and philanthropic advisory services such as Rockefeller Philanthropy Advisors and The Philanthropic Initiative (TPI). Melissa Berman, President and CEO of Rockefeller Philanthropy Advisors, calls these providers “full-service” rather than “discount brokers” of the field (such as Fidelity). Ultra high net worth donors (with investment assets of \$30 million or more) can also hire part or full-time philanthropic advice, or utilize private family offices that manage their financial affairs.

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<sup>17</sup> *The State of Nonprofit America*, Lester Salamon (Ed.), Aspen Institute & Brookings Institution, 2003.

<sup>18</sup> Social Welfare Research Institute.

Charles Scott, former Executive Director of the Association of Small Foundations, says that the philanthropic support field is only reaching a small slice of the 2.5 to 3 million affluent families. “There’s a huge market out there that none of us are touching.”

The golden door for reaching such donors is through those sitting at the gates with people of wealth—the attorneys, estate and financial planners, investment professionals, and others in the wealth management field who donors trust and turn to first for advice. Some promising efforts have reached out to financial advisors, through groups like the Council on Foundations, the National Center on Family Philanthropy, TPI, Changemakers, More Than Money and some of the grantees of New Ventures in Philanthropy, to help them to better inform their clients on options for charitable giving.

While the “biggest bang for the buck” of the donor education field may seem to be high net worth individuals, the field should bear in mind that the bread and butter of American philanthropy has long been lower and middle income donors. Some 86% of Americans identify themselves as donors, according to a national survey by the Wise Giving Alliance of the Better Business Bureau.<sup>19</sup>

A critical issue for “democratizing philanthropy” and expanding the reach of donor education is that the provider field has fewer resources and motivation for reaching the everyday givers and more modest donors. The costs of leveraging small-scale but widespread giving is not presently covered by the financing structure of donor services organizations.

### **Taking Philanthropy “On the Road”**

To expand the reach of the donor education field, one core theme has been consistently underscored: most education programs tend to invite in already known and engaged donors to their own venues. Little is being done to go “on the road” and offer donor education events where current or would-be donors actually reside, meet, or find affinity, such as retirement/elder communities, school and PTA settings, libraries, professional associations, college alumni gatherings, country clubs, and travel and tourism locations, as well as churches, synagogues and other faith centers. One challenge for any of these existing arenas is that donor education needs to be carried out in a “donor-focused” rather than “institution-focused” manner. For example, if a church, university or country club convenes donors, it must be clear whether it is playing a neutral convener role or is providing donor education for its own benefit (soliciting for its own institution).

### **New Ambassadors for Donor Education**

As we have seen, donors are educated, supported or socialized into philanthropy through a variety of sources. These include financial and legal advisors, fundraisers, development officers, other donors, community foundations philanthropy support organizations, and nonprofits. How has this mix of influences changed, and how should the field think about the relative roles and interactions of such groups for educating donors in the future?

Boards of trustees of foundations are untapped potential advocates for promoting and teaching philanthropy to others. “For some reason,” says Sal LaSpada of The Philanthropy Workshop of the Rockefeller Foundation, “they are not a sales force for philanthropy.” There is thus a need and opportunity for deepening the philanthropic education of America’s board members, as both donors themselves and, for some, philanthropy promoters and educators.

Others in the field point to the need to broaden the scope and approach of financial planning, fundraising, and planned giving. How can these professionals become more skilled and motivated to encourage their clients to adopt, in the words of Mary O’Herlihy of the Social Welfare Research Institute at Boston College, “a self-reflective process of decision-making about wise choices in finances and philanthropy”? How can such professionals become better motivated and trained to work with donors in a less institution-focused manner? How can they help donors become more inclined to consider the fuller array of options and opportunities across the philanthropic landscape?

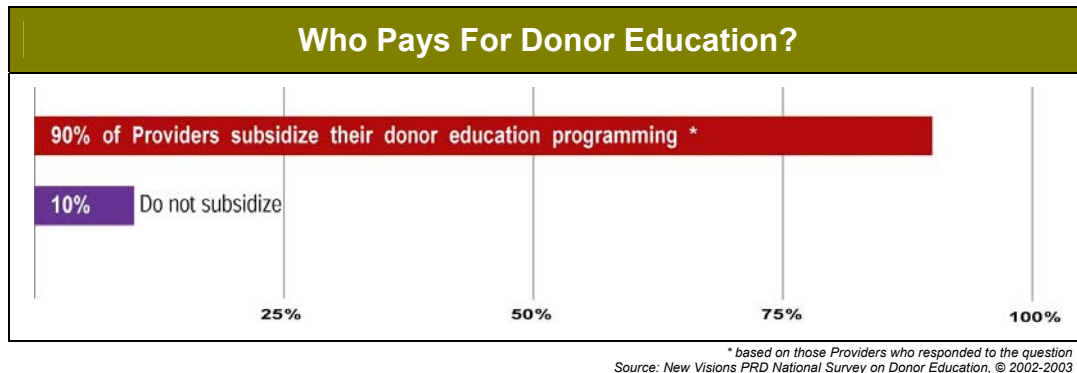
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<sup>19</sup> “BBB Wise Giving Alliance: Donor Expectations Survey,” Princeton Survey Research Associates, Inc., September 2001, page 8.



## Issue 2: The Economics of Donor Education

A central question facing the field is to what degree should donors cover the full costs of their own learning, and to what extent do such programs need to be subsidized? The economics of donor education centers around the question of whether and to what degree learning programs should be paid for by someone other than the donor beneficiary. But it also involves how organizations cover the research and development costs for curriculum development and learning tools, and the marketing and outreach costs to promote such programs and services.



The DEI National Survey of Donor Education found that 90% of donor education providers subsidize the cost of their programs. In fact, 65 organizations, or 53%, of such groups cover 100% of the cost of their donor education programs.

We repeatedly heard that donors are often reluctant to pay the cost of advice from philanthropic professionals. “If you were to call your accountant or lawyer and spend four hours with them and never get a bill, it would be quite a surprise,” says Sterling Speirn, President of the Peninsula Community Foundation.

“There’s a real Wal-Mart approach regarding the costs for administration and education,” says Elizabeth Bremner, President of The Foundation Incubator in Silicon Valley.

While some observers reject outright the notion of “subsidizing tutorials for the wealthy,” some provider groups counter that such costs are necessary given that donors are unaccustomed to paying for donor learning and that such support promises to leverage new and more targeted philanthropic dollars down the road.

“One of the biggest challenges we face is a lack of investment in donor education programs,” says Alison Goldberg, Donor Education Coordinator for Resource Generation, which works with a younger generation of donors. “Funding is scarce for this work, and the donors we work with are typically not at a stage where they are ready to invest significantly in their own education.”

“As a nascent field, donor education services don’t come cheap,” says Ginny Esposito of the National Center for Family Philanthropy. “Our development and delivery systems don’t come with any economies of scale.”

Esposito tells the story of how her Center test marketed the pricing range for their comprehensive guide to creating family foundations. Law firms and financial institutions said they would pay \$300 for the volume, but the individual donor community would only pay \$30. The guide was eventually priced at \$75, and that was with editorial development costs covered by a Packard Foundation grant.

*“Part of our responsibility is to reshape a culture by educating donors, ironically, about what it costs to do this work.”*

- Jessica Chao  
Project Manager  
Coalition for New Philanthropy

The field struggles with a Catch-22 pricing crisis typical of a new product in an emerging market: how to set modest prices to entice new donor education participants without later creating resistance to paying beyond the artificially low initial fees. Fees for donor services are kept low in part due to competition for clients among financial services companies and community foundations. Firms like Schwab and Fidelity can charge less than a one percent fee on philanthropic assets invested (0.75), while most community foundations charge one percent.

This field is unregulated and in its infancy, and no standards exist to assess quality. “The product of donor education is amorphous at best,” says Vincent Robinson of Social Venture Partners in San Francisco. “Donors have to perceive value. There’s a need for the field to push a value proposition. That’s difficult because quality is all over the map. And there are no standards or certification for providers. The struggle with pricing is a struggle with product definition.”

The economics of donor education is also influenced by the degree to which donors are engaged by philanthropic organizations. A 2003 survey of donor advised funds at six community foundations by the Foundation Strategy Group (FSG) found that “only a small segment of donors consider philanthropic advice important enough to pay for it.” At the same time, the FSG study found that most donors have limited contact with their community foundation (37% of whom have no contact). Donors with more frequent interactions with community foundations, the study found, were also more willing to pay for advice. In addition, the study suggests that younger and wealthier donors value—and may pay for—philanthropic advice from their community foundations.<sup>20</sup>

We found that some donor education programs overestimate how sensitive donors are about paying for their own learning. Several leading programs have had to incrementally raise their program fees after initially setting them too low (while still having to subsidize their programs). Unfortunately this establishes an unsustainable pricing structure for a field in the midst of formation, which only encourages donors to think they can get education for modest costs, when it is, in fact, heavily subsidized.

The field is therefore challenged by an inadequate pricing model to cover the costs of high impact donor education programs and services. The standard 1% management fee for philanthropic services may be sufficient for financial services firms where services are minimal, low-cost transactions. These providers are similar to banks offering simple checking accounts, but do not include advisory or investment benefits.

Foundation funding is critical fuel for funding the innovation and expansion of this emerging field. “There is a strong need to educate the funder community about the relevance of the promotion of philanthropy and the engagement of new donors in organized philanthropy,” said Siobhan O’Riordan of Giving New England.

Five or six large national foundations have provided funding, intellectual capital and leadership to promote and grow philanthropy nationally and globally. Individual donors, family foundations, private foundations and commercial philanthropy firms have essentially been “free-riders” who benefit from these infrastructure investments provided by a handful of large foundations.

However, with the general decline of foundation assets and the recent loss of support by Atlantic Philanthropies and the Packard Foundation for the philanthropy promotion arena, it is especially important that new players step up to spread the costs more evenly for further laying the groundwork for building a culture of caring and donor engagement in our society.

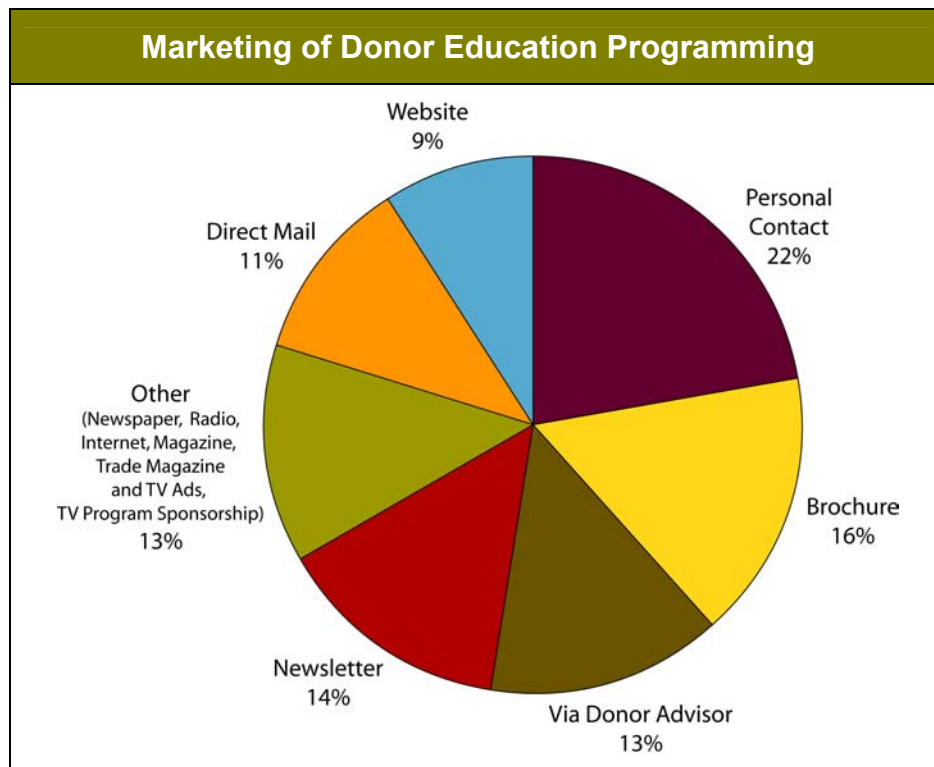
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<sup>20</sup> “Strengthening Community Foundations: Redefining the Opportunities,” The Foundation Strategy Group, LLC, October 2003.

### Issue 3: The Marketing and Promotion Challenge

Philanthropy education is vastly under-marketed. Very little media advertising and public promotion is utilized. From the perspective of donor educators, the national donor education survey found that the second greatest barrier to donors seeking out philanthropic learning opportunities was their lack of awareness of the existence of such programs (43%).

This can be explained in part by the low level of outreach efforts that organizations undertake to promote, market and recruit donors to their programs. As the graphic below makes clear, of the 183 organizations participating in the national donor education survey, the great majority rely on either word of mouth and personal contact, or brochures, newsletters, e-mail and direct mail that reach existing donors, to advertise their programs. As some survey respondents wrote: “Effective marketing is a hurdle that I must leap over in the next year or so,” “We really only target donors who have funds with us, not the larger community,” and “We have not begun active promotion.”



Source: New Visions PRD National Survey on Donor Education, © 2002-2003

In this sense, donor education offerings are targeted only at those already in the philanthropy club, and not in the broader community.

In our interviews, donor education providers readily admit that one of their greatest weaknesses is their ability to better market and promote their programs and organizational existence to wider communities of potential donors. “We may know donors, but we didn’t get to marketing school,” said a leader of a national donor education organization. “There is a capacity building issue around training, access to expertise, marketing strategies for this work, and the budgets to do it.” Few, if any, single organization, except perhaps the larger financial services firms, have marketing budgets large enough to reach a critical mass of potential donors in search of donor education and services.

Philanthropy learning providers not only face a shortage of marketing resources, but they struggle with how to communicate the essence and value of the product they are trying to promote to donors.

There has been interest expressed by some providers in exploring joint marketing of donor education and services locally, regionally and nationally. One immediate challenge will be for donor educators to distinguish the distinct skills, services and niche that they provide in a very diverse marketplace of offerings. Organizations have to avoid the temptation to say that they “do it all” and focus on their core competencies and services. Only then will donors be able to sift through the maze of existing programs and services.

The marketing challenge of donor education is related to the larger weakness of philanthropy as a whole in “telling the story” of the role of philanthropy and the nonprofit sector in American life. Leaders within the donor education field might consider how to link up with national, regional and local philanthropic groups interested in philanthropy education and promotion campaigns, which serve to drive all ranges of givers to the philanthropic infrastructure.

#### **Issue 4: Building the Capacity of the Field**

The philanthropy world has given much attention recently to strengthening the capacity of nonprofit organizations, and, to a lesser extent, to the nonprofit and philanthropic sector as a whole. From a similar lens, the donor education field is in need of several types of capacity building strategies and “interventions” in order to expand its reach and effectiveness. Two immediate ones worth noting are highlighted below, and further discussed in the final recommendations. They both relate to expanding the quality and scale of the intellectual and human capital that can support and engage a wider array of donors:

- **Adaptation of Existing Donor Education Models and Curricula:** In the national survey, over one-third of organizations said that they planned to develop donor education programs in the next 6 to 12 months, and approximately 20-25% said that they planned to do so in the next 1 to 3 years. When we asked for written comments on how responding organizations would like to see the donor education field develop in the future, a considerable number called for the creation of “off-the shelf” donor education packages and a standardized curriculum that could be adapted locally, especially by smaller organizations and community foundations serving donors. These groups noted the lack of staff and resource capacity to develop their own in-house materials.
- **Training of Donor Educators:** Many organizations that service donors, whether financial or philanthropic, lack either the inclination or skill set to engage donors in the very personal learning journey to assess their own values--what Paul Schervish at Boston College calls “the discernment process.” They may also be too far removed from community life and the nonprofit sector to effectively help donors invest in improving and changing society. In general, there is a tremendous shortage of donor educators highly skilled and trained in both the hard and the soft sides of philanthropic education and advising.

#### **Issue 5: The Need for Professional Standards and Ethics**

Like much of organized philanthropy, the field of donor education is in its infancy, and, as such, is a field marked by a lack of professional and ethical standards. However, in pockets across the field, growing circles of people are discussing the need and options for establishing standards, ethics and certification for philanthropic educators and advisors. The conversation runs from establishing formal accreditation procedures by a regulating body to drafting more voluntary guidelines and informal field standards.

Thorny issues arise, such as: Who qualifies to be a ‘donor educator’? Can anyone? What difference does it make if you are a for-profit or nonprofit organization or consultant? Whether you are an individual consultant or large institution? Does your donor vehicle preference or social agenda have to be transparent? Grappling with these and other questions can be very healthy for the field. It can help form a common language, establish standards and practices for developing effective curriculum, and foster self-examination and peer review.

## **Issue 6: Provider Competition and Donor Learning**

The burgeoning donor education field of both nonprofit and commercial providers is cleaved by escalating competition in a dynamic and emerging market. Such competition serves to simultaneously expand and constrict the flow of information and learning options for donors.

The increasing competition among providers to manage the philanthropic assets of wealthy individuals breeds a culture that does not widely share with donors the full array of learning opportunities, giving vehicles and resources available in the field. As Ted Lord, former Director of Philanthropy Promotion at Philanthropy Northwest in Seattle, asks of both financial service institutions and community foundations: “Is donor education about cloistering people’s assets or unfolding opportunities for them?” This point is echoed by Jessica Chao of the Coalition for New Philanthropy: “There isn’t enough cooperation across the various skill groups. Most of the financial planners, for-profits, and community foundations want to offer full-service and are reluctant to share ‘clients’ across areas they are less familiar with for fear of losing them.”

This overwhelming fear of “losing” donors rather than empowering them is one theme that we have repeatedly heard, and it is a major barrier to helping donors move up their own learning curve and along their philanthropic path.

The result is a field that is marked by fragmentation and competition, instead of the integrative and collaborative initiatives and structures that need to be woven together to create a web of donor support. No one organization or approach can service all the learning needs of any one donor.

For this reason, networks and alliances of donor service and support providers are very critical. Cooperative arrangements need to increase to best serve the interest of the donor in better understanding and utilizing a needed mix of services. They will also help the provider field in building a web of services to effectively respond to the wave of donor needs.

Despite the competition and mixture of approaches, program interests, and values people bring to this work, those who offer donor education have more to gain by thinking of this as an emerging field or community of practice.

## **Issue 7: Opportunities and Challenges for Community Foundations**

Community foundations have exploded across the country over the past 15 years. Whereas there were 100 community foundations in 1987, that number today stands at well over 650. Community foundations are viewed by many in the field as an ideal vehicle for offering continuous learning opportunities to donors at the local level over the long run. Philanthropy is typically a local activity, and community foundations are among the best positioned donor service providers to inform and engage donors.

“Donors are smarter, there is more money, they want more choices and there’s no expectation of back-off from the roaring growth of philanthropy we’ve all seen,” says Carla Dearing, CEO of Community Foundations of America in Louisville, which provides resource tools for community foundations nationally.<sup>21</sup>

The boom in the numbers and assets of community foundations nationwide has at the same time masked a makeover in their very nature. The ninety year-old notion established in Cleveland of a community foundation deriving its funds from many donors and having those monies governed and distributed by a diverse board of community leaders where it is based has been transformed with the explosion of individually-directed giving accounts, or “donor-advised funds.” The number of donor advised funds nationally, including those at community foundations, grew to over 73,000 in 2002, up from more than 42,000 in 2000, according to the National Philanthropic Trust.

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<sup>21</sup> Cited in “Philanthropy Market Diversifies,” *Philanthropy Journal*, October 6, 2003.

In short, community foundations have moved from a model of pooled community philanthropy to more donor-directed giving. At many community foundations, 80-90% of philanthropic dollars are in donor-advised funds, leaving few resources for general discretionary funds and special initiatives that are geared to meet researched community needs identified by foundation boards, program staff, local nonprofits and community leaders.

Some argue that the rise of donor-advised funds has swung the pendulum too far in terms of philanthropy serving primarily donor satisfaction rather than community need. Undoubtedly, the new realities facing community foundations makes it ever more critical for them to develop new programs and services to assist new donors in becoming both personally satisfied and effective grantmakers. We found in our interviews that more community foundations are taking on the important discussion of how to best educate and engage their own donors.

"We used to have a somewhat hands-off approach to our donors," said Jared Watson, Director of Donor Services at the Seattle Foundation. The foundation launched its donor education services program in June 2000, which conducts donor education forums and site visits to nonprofits, and assists donors in their evaluation of charities. "We think of our donors as grantmakers. We became more intentional about seeing the value we bring to the donor."

The new roles and identity of community foundations as donor educators is underscored by Katherine Fulton and Andrew Blau of the Global Business Network in their discussion of trends remaking philanthropy in the 21<sup>st</sup> century:

*"Some community foundations are now becoming full-fledged 'centers for philanthropy' in their communities, reaching out to and training a new generation of donors, whom they hope they can influence to leave their money in the community where the foundation is located. This shift positions community foundations less as 'foundations' and more as active participants in the rapidly changing philanthropic infrastructure, full of various kinds of organizations rushing to provide training and services to new donors and small foundations. The result is an identity crisis—and in some cases a battle to survive—that will likely intensify for community foundations in the years to come."*<sup>22</sup>

Donor educator Tracy Gary suggests that all community foundations create four conditions for donors seeking to establish donor-advised funds:

- 1) Complete a Giving Plan to clarify who you are as a donor within the first months of newly associating with a community foundation;
- 2) Attend annually orientations held by community foundation program staff on the field of philanthropy and community needs;
- 3) Attend donor education programs offered by the foundation or one of its partner organizations, at least one a year; and
- 4) Attend a program to learn about and support special initiatives and funds of the community foundation.

The community foundation should then send the donor a pie chart on their Giving Plan and current year to date giving, quarterly, and inquire if they wish recommendations or other support from the foundation to achieve their goals.

However, the DEI national survey results revealed that a relatively small percentage of community foundations actually offer formal donor education programs, outside of one-on-one advice and consultations for donors. This was reflected in the few community foundations that posted planned donor education events in the survey calendar. Nevertheless, community foundations are positioned to offer critical one-on-one advice and consultation to donors seeking to make an impact where they live.

Peter Karoff, founder of The Philanthropic Initiative (TPI) in Boston, estimates that of the seven or eight thousand donors that TPI has worked with since 1989, upwards of 90% of them could have been "very well served by a community foundation that had its act together." The remainder would likely choose to set up their own foundation or hire a philanthropic consultant.

"Community foundations are just beginning to see donor education as their job," says Christine Letts, Associate Director of the Hauser Center at Harvard University. "They should use their discretionary money to

<sup>22</sup> Katherine Fulton & Andrew Blau, "Trends in Philanthropy Today: Discovering Philanthropy in the 21<sup>st</sup> Century," Global Business Network, June 2003.

bring donors together for learning.”

However, as community foundations try to compete with financial services firms like Fidelity, Schwab and Vanguard by offering low management fees, they are unable to cover the costs of in-depth, customized education programs. While community foundations are correct to ramp up their financial systems, they are hard-pressed to out-manage the money managers like Fidelity. Transaction philanthropy is not their competitive edge. “I’m afraid that community foundations may bargain away their greatest assets, knowledge of the community and nonprofits, the more they try to look like financial services organizations,” said one national donor education leader.

“One of the comparative advantages of community foundations is the opportunity they have to create a community of donors,” says Peter Hero, President of the Community Foundation of Silicon Valley. “A community foundation can provide that, unlike commercial funds.”

Community foundations—especially small to mid-sized ones—struggle over how to pay for donor learning and engagement, especially when they have less general, discretionary funding provided by their donors. Of the more than 650 U.S. community foundations, about 500 have less than \$50 million in assets (meaning less than \$500,000 to spend annually for operations). Given restricted budgets, such foundations are trying to assess the metrics that should be used to measure the value and impact of donor education.

Some community foundation leaders privately admit that they face large staffing and capacity challenges. New and junior staff can frustrate donors accustomed to the expert and highly competent advice of legal and financial professionals. There is a widespread need to train and equip community foundation staff seeking to develop learning content and programs for hundreds of individuals and families who have opened donor-advised funds in recent years and want to do more than write checks from their accounts.

## **Issue 8: The Growing Role of the Financial Services Industry**

Over the past decade, the for-profit commercial world has rapidly discovered the importance of philanthropy. Banks, investment houses, wealth management providers, insurance companies and other commercial firms see philanthropy as an important new market of services and assets to capture and as a way to support the expressed service needs of their clients.

Every investment company is trying to become a more comprehensive wealth management firm. They are competing by adding high touch services of value to clients and families. Philanthropy is a new value proposition in that industry. While financial service institutions are new to the philanthropic field, they are “fast learners, aggressive marketers and have significant revenue at stake.”<sup>23</sup>

Aside from the financial and investment world, the trust, estate and insurance professionals want a closer relationship with their clients, who are no longer bound by long-term loyalties to single advisors or firms.

Some financial services firms are building more expertise and sophistication about philanthropy in-house. This tendency started with Bessemer Trust and Morgan Stanley, and has spread to others like Bankers Trust, Wachovia, and Wells Fargo. Such firms feel that if they do not have philanthropic expertise, then some clients will go elsewhere where those skills and capacities are available.

Competition between commercial financial firms has raised considerable anxiety within the community foundation world. As one large community foundation president told us: “One of the biggest threats is that financial institutions are bringing philanthropy work in-house and are not referring donors to community foundations. The trend is to control the assets and dumb down the philanthropic services. It’s going to turn the spigot off. Perhaps they’ll offer a swanky donor education event once a year. But they’re not going to be there on a day-to-day basis. You don’t need to have your money managers control your philanthropy.”

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<sup>23</sup> “The High-Net-Worth Landscape and Opportunity, Prepared for the National Marketing Action Team, HNW, March 2002, page 55.

Others interviewed believe that the overall impact of the wealth management world entering into philanthropic services is a net gain for new and increased giving to nonprofits. The Charitable Gift Fund of Fidelity Investments, for example, is the largest commercial donor advised fund in the country, and has attracted 30,000 donors and channeled over \$3 billion in grants to nonprofits since its founding in 1992. The entry of the financial services sector into the philanthropy world has also served to elevate the level of services for donors by non-commercial philanthropic organizations.

Some financial services professionals understand the need for greater cooperation between for-profits and non-profits serving the donor's overall needs. As Phil Cubeta, chief of staff for The Nautilus Group, an initiative of New York Life Insurance Company serving approximately 200 of the company's top agents in working with high-net-worth clients, observed:

"Financial services firms are doing an increasingly good job at creating charitable capital. However, we and our clients need to connect around the country with those dedicated people in the community foundation world, and in established networks of informed donors, who can help our clients not only make savvy grants, but get personally involved with the local charities, so that giving becomes more than just 'money in motion.' That personal involvement, in turn, can help cultivate charitable passion, and lead to more and larger gifts."

Cubeta thus resists the idea that financial services providers advise on effective grantmaking: "Financial services firms focus on the *creation* of philanthropic capital. The *deployment* of that capital is the business of the donor education programs run by nonprofits."

This view is underscored by interviews conducted by New Visions with 23 financial services institutions—mainly banks, trust companies and brokerage houses that serve high net worth clients—regarding their "donor education" or charitable services.<sup>24</sup>

Apart from a few exceptions, we found little evidence of real *institution-wide* commitment by financial services firms to the deeper philanthropic education of clients. Where guidance is offered, it is largely confined to the "hard-side" technical aspects of charitable tools and techniques which emphasize the financial and tax benefits of giving. The more value-based and in-depth donor education seminars tend to be driven by individuals within the firm that are personally passionate about philanthropy.

In many large institutions, we found only one person offering group events on the larger philanthropic landscape for clients or for the public, often at a single branch office. Donor events focused on social good, rather than merely tax planning, were intermittent and sometimes would lapse for a couple of years when the head office decided to cut off funding.

Given this context, an increasing number of financial firms recognize the benefits of partnering with nonprofit organizations and community foundations to offer donor education programs. The firms will often underwrite or contribute to the cost of a donor education event in which a nonprofit invites its own donors to attend a seminar or forum delivered by an independent adviser, planner or consultant.

Recognizing the need to ground philanthropy in specific local causes, and needs, some partnerships have been forged among community foundations and financial services firms. The most prominent example is the launch of "The Merrill Lynch 'Community Foundation National Philanthropic Initiative.'" This partnership enables Merrill Lynch to support its private clients through their 14,000 financial advisors in the creation, management and operation of donor-advised funds linked to partner community foundations. Donated funds remain under Merrill Lynch investment management, but donors receive philanthropic support services from the community foundations where the donor-advised fund is created and maintained.

In the midst of such emerging partnerships, critical questions face the field, such as: If the for-profit firms manage the charitable assets and get the money management fees from donors, then what financing is left for donor education services by community foundations? Can a particular community foundation strike a partnership with any number of financial services firms? Will Fidelity and Merrill Lynch, for example, want

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<sup>24</sup> Interviews conducted by New Visions' consultant Lisa Tracy.



their clients mingled in donor education programs? For the financial firms used to custom national products and consistent quality of services from location to location, how will they manage their partnerships with the broad diversity of community foundations?

How these and other questions facing both non-profit and for-profit players in the shifting donor support landscape are discussed and negotiated will determine a great deal as to how donor learning needs are met in the future.

## **Issue 9: The Globalization of Giving and Donor Education**

### **Global Giving**

The increasingly interconnected world of globalization is diminishing the distinction between “domestic” and “international” issues. The world of philanthropy is also becoming borderless. New technologies enable people to associate, communicate and partner more easily across countries and continents.

Despite such trends relatively little U.S. philanthropy reaches beyond our shores. Less than two percent of all charitable giving in the United States goes abroad, most of which comes from a small number of grantmaking foundations. The understanding and potential of global giving and engagement remains very limited among the general public.

Adele Simmons, former President of the MacArthur Foundation and philanthropic adviser to the World Economic Forum, cites a “market failure” in the field whereby “donors are not able to connect to good projects in the Third World.”

“We don’t really know why so few philanthropic dollars go overseas,” said John Harvey, Executive Director of Grantmakers Without Borders in Boston. He noted that Americans “are not socialized into thinking globally” in school or through the media, and thus “it is only through donor education can we move more resources to global social justice.”

Encouragingly, the donor education field is becoming more international:

- More U.S. donors are learning about philanthropy through programs that involve international giving, conversations about global issues, site visits and experiences in other countries. Donors especially point to the power of programs allowing them to travel abroad to witness firsthand the problems and creative solutions in other countries.
- An increasing number of ethnic groups and foreign-born nationals are sending money abroad to support favored causes in their country or region of origin. They are doing so through intermediaries such as Give2Asia, the American-Indian Foundation, and the Brazil Foundation. Some of these groupings have their own peer-to-peer networks and conduits to inform and channel their giving.
- Hundreds of high net worth individuals have gathered the past two years at the Global Philanthropy Forum’s Conference on Borderless Giving at Stanford University (a third will be held in March 2004). The conference, sponsored by the World Affairs Council of Northern California, aims at building a community of philanthropists committed to international causes by introducing donors to one another, as well as to international NGO leaders, foundation grantmakers, and global funding intermediaries.

Among donor education providers surveyed in the United States, one-third of respondents (59 organizations) said they provide some form of donor education on international philanthropy or giving abroad. In the survey, several groups noted that this is a future growth area (“This is a small part of our program, but it is coming up more and more,” “We’re planning to move in this direction in the next 6-12 months,” “In the future we will provide programs on international social change giving.”) The most common type of international educational information provided is “How to Fund Abroad.”

Global donor education is offered through programs like The Philanthropy Workshop and the Global Philanthropists Circle of the Synergos Institute, and through donor advisers on global philanthropy like the Acumen Fund, Charities Aid Foundation, The Philanthropic Initiative and Rockefeller Philanthropy Advisors.

Infrastructure is growing to create more borderless giving, much of it online. More knowledge resources are available to donors and grantmakers on global giving. This includes Grantmakers Without Borders; the online newsletter Global Giving Matters; the Global Philanthropy Partnership that produces brief issue guides on international giving; and *Alliance*, a quarterly magazine on the funding of civil society worldwide.

Informal learning is also available through online international donating sites like GlobalGiving (formerly DevelopmentSpace), Global Greengrants, IDEX, and the Virtual Foundation.

The development of such intermediaries is lowering the administrative and overhead costs of making grants abroad. Overseas giving is thus an area where everyday and smaller donors can make a tremendous impact. Chet Tzechowski of Global Greengrants says that the most neglected area of international giving is grants under \$5,000. The Clarence Foundation works to create and facilitate small local giving circles that pool their skills and resources to fund small international projects and social entrepreneurs around the world.

For high net worth donors groups, the Citigroup Private Bank offers a global donor-advised fund that allows its private bank clients—two-thirds of whom are outside the United States—to give across borders. The fund involves collaboration with the California Community Foundation, Community Foundation Silicon Valley, and a larger network worldwide. “Our goal is to facilitate grantmaking for our clients from anywhere in the world to anywhere else in the world,” said Claire Costello, Director of The Citigroup Private Bank which has offices in 33 countries.

With the growing ease of global giving, the need increases all the more for well developed and appropriate donor education programs. This includes the need for donors to be ever aware of and sensitive to local culture, appropriate scale, effective partnerships, sustainable funding practices and planned exit strategies. That is why internationally-oriented donor education programs must look to effectively partner with and give support to the further development of indigenous philanthropic infrastructure organizations around the world. These key intermediaries and locally-based institutions, such as the growing women’s funds and community foundation field, are especially important in the international funding context.

### **Strengthening a Global Infrastructure for Philanthropy**

A number of donor education programs have recently grown in other countries. For example two programs in London, Camden Publishing and the newly created Institute of Philanthropy, convene donor education gatherings, while in Berlin the Bertelsmann Foundation, the largest operating foundation in Europe, has recently launched a major new donor education initiative. Their program will focus on both Germany and Europe, and in a partnership with the Rockefeller Foundation’s 2003/2004 Philanthropy Workshop, half of the workshop participants will come from Europe. Not all donor education programs are so new. A Dutch women’s fund, Mama Cash, has for ten years facilitated a giving circle with women of inherited wealth.

Philanthropic sector growth around the world is being spurred by the development of community foundations. Most of these foundations are in the midst of institutional development and have not yet had an opportunity to create specific donor education services. In a survey by New Visions PRD of international philanthropic support organizations, almost all respondents stated an interest in learning more about how to consider developing such programs.

“There are a lot of independently wealthy individuals who would like to be more involved and a lot of NGO’s and initiatives to be involved in on the other hand, but because of the lack of donor education, they cannot find one another,” wrote Ustun Erguder, President of Third Sector Foundation of Turkey. “In a country such as Turkey, a formalized donor education program would have an incredible impact on increasing philanthropy and allocating resources for the development of civil society.”

The development of a global philanthropic infrastructure leads some to predict that community foundations, the most local of grantmaking vehicles, will eventually be linked up through an alliance of intermediaries to become globally networked nodes of giving and learning. "Community philanthropy and community foundations are spreading like wildfire in all the continents," writes Barry Gaberman, Vice-President of the Ford Foundation."<sup>25</sup> He notes that there are nearly 150 community foundations in Canada, almost 100 in the United Kingdom, over 40 in Germany, and growing numbers across Latin America, Africa and Asia.

The hope is that the global reach of community foundations and other indigenous philanthropic institutions and intermediaries will eventually create "universal coverage" for giving by donors.

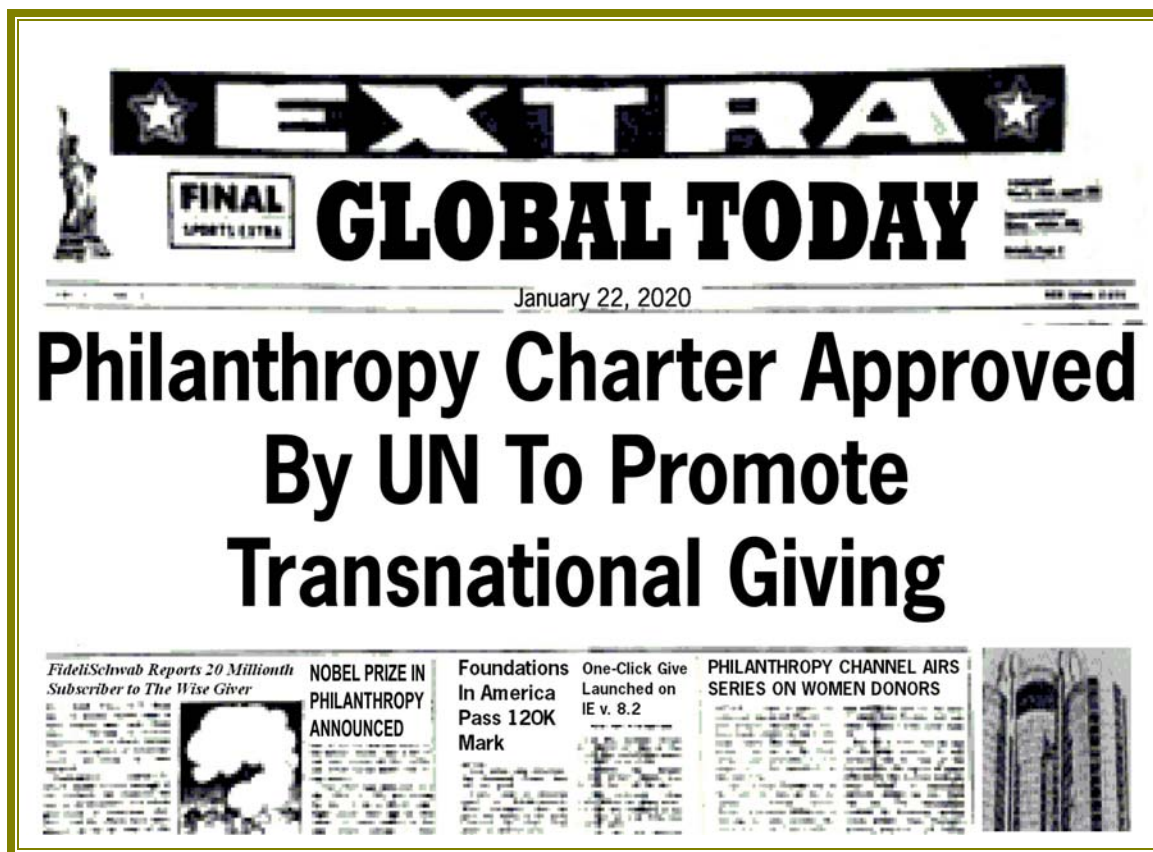
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<sup>25</sup> "Building the Global Infrastructure for Philanthropy," by Barry D. Gaberman, Waldemar Nielsen Seminar Series, Georgetown University, April 11, 2003.

## VI. Envisioning the Future

*"If you don't know where you are going, then any road will take you there."*

Paraphrased from "Alice and Wonderland"



What will the emerging field of donor education, and the larger world of philanthropy, look like in the year 2020 or 2030? What impact will it have on society, in the U.S. and globally? How will it have changed since the turn of the 21st century? What factors will shape or hinder its growth?

The lack of long-term vision plagues all sectors of society. Those working in philanthropy rarely have the opportunity to think beyond the next 3-5 years, and are usually challenged enough by the busy year ahead. As an emerging field, donor education has the unique opportunity now to consider and actively shape its longer-term future.

Vision is at the heart of the possibilities and potentials for the future of philanthropy. Despite the economic downturn and dangers on the world scene, leaders in philanthropy need to remember that they also stand at the center of possibility.

This report has demonstrated that the field of donor education programs and services has exploded over the past 20 years, and even more strikingly in the past 10 years. When we look back, and then forecast the larger trends that will impact the field, we can easily assume that the changes over the next 20 years will be even more dramatic than those witnessed over the past two decades. For example, giving by Americans to charity over the next 20 years is projected to grow to \$6 trillion—three times as much as over the past twenty years, according to Paul Schervish at Boston College.

As we think about the existing field, the challenge is to recognize what has been built and what effective practices meet current need, then recognize that we have to map what does not yet exist, but should. “We can shape this field any way we want,” says Doug Bauer, Vice-President of Rockefeller Philanthropy Advisors. “It is the uncharted territory of philanthropy.”

## **The Process and Results of Shared Visions**

We began the process of envisioning the future of the donor education and philanthropic sector in the fall of 2002. New Visions hosted two gatherings of donor educators and philanthropy leaders in California (one in Los Angeles and the other in San Francisco), and organized the National Dialogue on Donor Education at the Pocantico Conference Center of the Rockefeller Brothers Fund in November 2002. A list of the participants at the three dialogue sessions is provided in the Appendices.

During these three gatherings, we divided participants into small working groups. We asked participants to think about the field’s future without any barriers (money, competition, knowledge, public policy, etc.) and imagine what is happening, what it looks like and feels like, who is involved, how it is operating, and what has been accomplished. To do so, small working groups considered the following scenario:

*It is the Year 2020 and you and a few colleagues have been asked to speak on a popular global call-in television talk show. You and your group have been asked to address the dramatic changes that have taken place in philanthropy over the past 20 years and shaped a new mindset in the broader culture. You’ve been asked to specifically address the significant changes that have taken place in the way that donors are educated and engaged. You are to name some of the critical steps that helped pave the way to accomplishing those achievements.*

The results of the envisioning session were wide-ranging. The exercise focused on where the field wants to go, rather than trying to forecast possible negative and positive developments and scenarios. Below is a summary of the central themes from the three envisioning sessions. Some consistently repeated themes emerged, such as:

- 1. Information technology will transform the accessibility and impact of donor education.**
- 2. Donor education will be more integrated at all levels of schooling.**
- 3. The media will provide greater coverage to giving and organized philanthropy.**
- 4. Giving and donor engagement will become more global.**
- 5. The donor education field will become better integrated and organized.**
- 6. Donors and foundations will be more closely linked to nonprofits and community life.**

On the following pages, we highlight participant comments at the gatherings on 13 themes that emerged during the envisioning sessions.

## Participant Comments from Envisioning Sessions

### 1. Donor Education More Easily Accessible

"Global access to information about a range of international and domestic giving opportunities is greatly enhanced through advanced technologies."

"Comprehensive system of donor education globally, web-based, creates a systematic, complete, and inviting way for Americans to participate in philanthropy."

"A donor diagnostic tool is available which connects donors to a seamless array of services."

"People easily find their philanthropic partners - it works like the personals: people hook up by their interests and passions. Very accepted, natural, pervasive, casual, informal."

"Instant online and one-on-one guided access to information about issues of interest."

"Information clearinghouses for donors at all levels and in varied communities, including immigrant, diaspora communities, faith-based orgs, youth, etc. That is, the democratization of donor education."

"Every large and small donor has access to philanthropic services."

"One-stop clearinghouse for giving vehicles for new donors to research and understand giving vehicle options."

### 2. Culturally Known and Embraced

"Philanthropy is a cultural norm."

"People self-identify as philanthropists, wear the mantle of donor easily."

"As one needs to go to an art class to learn to draw (after trying on one's own), people realize that they need to learn how to give."

"Everyone identifies as a donor being a way of life."

"People take philanthropy vacations."

"People recognize and value how we benefit from the services of philanthropy."

### 3. Starts with Children and Youth

"Secondary schools, colleges and universities have created a 'core' curriculum on philanthropy, civic action, etc."

"Educational opportunities for civic engagement and philanthropy begin in grade school and continue in every aspect of our lives - workplace, worship, etc."

"Donor education has been fully interpreted into elementary, high school, college and graduate level curriculums with the reintroduction of civics."

"Schools have an ongoing curriculum about giving/volunteerism, including practicums in local communities."

### 4. Expanded Media Coverage and Public Promotion

"A shift in media: all givers - famous and not-so-famous - are glorified in the media."

"90% of all major sports figures and entertainers tithe 10% of their income and launch a major media campaign."

"A group of high profile, diverse leaders act on the responsibility to be philanthropic and media covers their actions."

"There is a 24 hr. cable/TV charity/philanthropy channel."

"Through increased, intelligent media coverage, the underlying assumptions of philanthropy (as distinct from charity) and specifically strategic philanthropy are widely known and understood."

### 5. Better Financed

"The field of Donor Ed is supported as part of a strong support for philanthropy generally by major foundations - up to 2% of total foundation giving is committed to supporting philanthropy with an emphasis on donor education."

"Donors pay for their education ... happily."

### 6. More Global

"A globalized field, where donors come together from all over the world to solve problems and transfer innovations across borders."

"Citizens as global philanthropists enabled through the collaboration of community foundations with global foundations."

**7. Professional Standards**

"There is an accreditation process for donor educators."

"Some standards of quality have been agreed to and 'effectiveness' and 'success' are commonly and meaningfully understood."

**8. More Diverse**

"Donor education and peer learning opportunities between black and other cultures/communities of interest groups have emerged."

"New leadership in the field represents new demography."

**9. Better Linked to Nonprofit and Community**

"Philanthropy has been broadly embraced by every community as an integral part of its vision for community development."

"Job-swapping' between donors and nonprofits possible - breaking down barriers between donors/grantees."

"Donor education programs are based in community foundations that are truly community-based and led by a very diverse group of leaders who have the experience of bridge-builders between donors and grantee groups."

"Involving the community in donor decision-making is a matter of course."

**10. Embraced by Government and Multilateral Institutions**

"All multinational corporations have adopted the UN Compact, for example, and other examples of standards for corporate citizenship."

"The president appoints a cabinet-level post devoted to philanthropy."

"WTO and World Bank Announce New Regulatory Regime To Promote Transnational Philanthropy"

"The US Department of Civic and Community Engagement created."

**11. Greater Corporate Involvement**

"Banks offer simple, free giving accounts."

"Every US company gives employees a philanthropic 401(k) fund, 10% of their base salary, and matches what employees add (matching giving fund)."

"There are philanthropy clubs in most workplaces."

**12. Collaboration and Partnerships Established**

"Donor education providers share resources and refer and co-refer donors to each other to ensure that no donor is left unmoved or unattended."

"Strong relationships exist between for-profit gatekeepers and nonprofit providers."

"Much more coordinated as a field. The norm is to work collaboratively across foundations and with government to maximize impact."

**13. Expanded Circle of Donor Educators**

"All financial advisors and fundraisers are donor educators."

"Donor education and general philanthropy promotion is part of the expectation for all fundraisers for nonprofits."

"Estate planning automatically includes charitable planning and all advisors are competent."

"Fundraisers are philanthropic advisors."

The gap between where we stand now in 2003 and how we envision the future can only be closed by inspired leadership and collective action. That leads us to the final section of this report, where we discuss a leadership agenda that will help move the field closer to some of these long-term visions of the future.

## VII. A Leadership Agenda

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*“The profession of philanthropy, which has been perfecting itself over the last half century, has not succeeded in increasing charitable giving of individuals. The field has been so busy professionalizing itself, it has neglected the source of 85% of its dollars. We have to deal with that fact.”*

George McCully, President, Catalogue on Philanthropy

### Overview

The Donor Education Initiative was designed to map and analyze the donor education field, and to make action recommendations for its future development. The recommendations suggested here represent a synthesis of research over the past two years. This leadership agenda is thus informed by interviews with donors, donor educators and foundation leaders; survey data; and numerous gatherings of donors and donor education leaders. Over 350 interviews have been conducted in this process.

#### **Who are these recommendations for?**

These recommendations were prepared for two primary audiences who are best positioned to shape the future of the donor education field:

- The foundation world
- The field of donor education program and service providers

In addition, we hope the report and recommendations are useful to financial services institutions and advisors, philanthropic consultants, individual donors, nonprofit sector leaders and researchers, and academics and journalists interested in the world of philanthropy.

#### **What is the relevance of these recommendations?**

We believe it is both a perilous and opportune moment for philanthropy and donor education in America. On the one hand, we are clearly in a down market for philanthropy. Just a few years ago foundation endowments were experiencing annual double-digit growth. The present economic environment breeds anxiety and retrenchment, in which most nonprofits face cutbacks and loss of public donations and foundation commitments. Fewer new initiatives are being launched and funded.

However, given this current atmosphere, strengthening donor education must be seen as more rather than less vital. We need to actively recruit, engage and inspire new donors and giving in order to expand human and financial assets which address deepening social problems. In tough times especially, existing philanthropic capital needs to be even more informed and wisely targeted.

#### **What Guides These Recommendations?**

Recommendations in any field are shaped by the state of the present landscape and the potential for the future. The recommendations we offer are shaped by **three core principles**:

- **Strengthen What Works:** There are many innovative organizations and promising practices by donor educators that need to be strengthened, replicated and taken to greater scale.
- **Expand the Vision:** We believe there is a need for a “big bang” in our collective thinking and approach to shaping the future of the field.
- **Build the Infrastructure:** As a cottage industry, there is a hole in the center of the emerging donor education field. This gap is the infrastructure of donor education that weaves together the disparate elements of the field and enables greater collective vision and action.



## Overarching Recommendation

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### Strengthen and Develop the Infrastructure for Donor Education and Engagement

Our recommendations are primarily focused on building the infrastructure of the donor education field. As we have written, donor education is a young field, like a cottage industry, that is only now creating or thinking about its own language, leadership, standards of practice, marketing and public messages, financing strategies, and larger impact in society. It is a disparate field of small and large players each of who are seeking to identify and define their own niche. **The challenge over the coming decade is to proactively grow the capacity, reach and impact of the donor education field.**

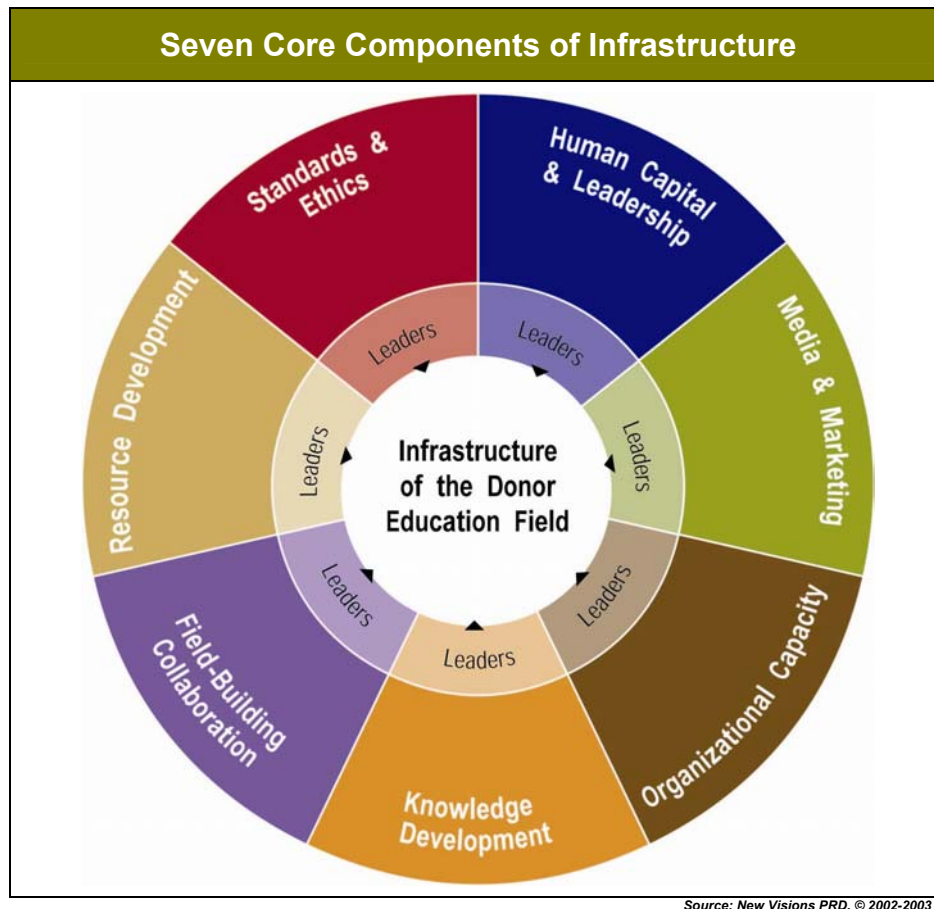
It is time to build upon important recent experiments and innovative organizations that have emerged on philanthropy's changing support landscape: the rise of women's funds, giving and learning circles, venture philanthropy funds, New Ventures in Philanthropy grantee experiences and tool developments, new initiatives launched by regional associations of grantmakers, the emergence of youth philanthropy and young donor networks, along with a host of new philanthropic support organizations.

One distinction worth noting is between those organizations that finance themselves through managing assets, advising high net worth clients, or partnering with commercial entities, and those that do not. The latter includes groups that build new knowledge, cultivate and inform donor networks, and support the capacity of other donor educators (such as the Association of Small Foundations, Changemakers, the Council on Foundations, The Foundation Incubator, More Than Money, the National Center for Family Philanthropy, New Ventures in Philanthropy, Social Venture Partners, among many others).

By not managing donor assets, such groups are considered better able to maintain their neutrality, and therefore, their ability to offer more impartial guidance. Foundations need to underwrite that critical role in the field. On the other hand, those groups that do advise or manage the assets of clients, and partner with commercial firms are still critical to the growth and development of the field. This notably includes the donor education and philanthropy promotion work of community foundations, which are vastly undercapitalized. It also includes hybrid models like the Acumen Fund, New Profit, Inc, and The Philanthropic Initiative.

**Our recommendations emphasize investing in the seven core components of the infrastructure of the overall donor education field:**

1. **Invest in Human Capital and Leadership**
2. **Support Organizational Capacity Building**
3. **Develop Knowledge Management and Tools**
4. **Encourage Field-Building Leadership and Collaboration**
5. **Increase Public Awareness Through Marketing and Media**
6. **Explore Resource Development and Financing Strategies**
7. **Promote Standards, Ethics and Accountability**



(A ✓ indicates a Major Recommendation)

## 1. Invest in Human Capital and Leadership

As with the rest of the philanthropic world, the human capital and leadership dimension of donor education is fundamental to its success. The field is blessed with a number of inspiring, committed and skilled leaders. However, donor education organizations and programs rely upon a relatively small circle of national leaders and donor educators as speakers, teachers and technical assistance providers. The numbers of such people remain small compared to the overwhelming opportunity for further outreach and impact. To begin, we recommend the following:

- ✓ ▪ **Develop and support the training of local and regional donor educators, leaders, and speakers.** A national training of trainers (TOT) strategy should be designed and implemented, drawing upon a core curriculum developed by a collaborative effort of national resource organizations and leaders. This on-going training capacity should be placed in vital philanthropy promotion centers and engagement vehicles across the country. Some of the trainees should be intentionally recruited from alumni of existing donor education programs, participants in donor learning and giving circles, foundation trustees, and venture fund investors. Donor educators and service providers within community foundations should also be recruited. This would include training donor services staff to offer on-going programs and referral guidance on all three elements of The Learning Pyramid.

## 2. Support Organizational Capacity Building

Some of the most effective donor education organizations struggle to build their own internal capacity to expand their services and impact. While widely renowned and respected, even the best of these organizations remain undercapitalized and do not have reliable, long-term commitments of general operating support.

We recommend the following:

- ✓ ▪ **Scale up effective donor education organizations and programs.** Foundations should carefully assess the stage of development of leading donor education organizations and make multi-year strategic grants to increase staffing and internal capacity to ramp up an organization's ability to have a greater impact in the field at regional, national and global levels.
- ✓ ▪ **Build organizational outreach to strategic audiences.** The replication capacity of strategic programs needs to be greatly increased. If programs are effectively educating constituents that are currently underserved, have a high impact potential for leveraging new philanthropy, are demographically important, or bring new thinking, diversity and perspectives to the field, then they need to be supported and made more widely available. These include programs designed specifically for:
  - **Women**
  - **Seniors, Grandparents**
  - **Ethnic Groups/Communities of Color**
  - **Children, Youth and Families**
- ✓ ▪ **Invest in the Donor Education Capacity of Selected Community Foundations.** Small and medium size community foundations are especially in need of staffing support and capacity-building to launch and maintain the kind of donor education programs that will allow more of them to become vital philanthropy promotion centers and engagement vehicles across the country. Foundations should invest in a set number of community foundations across the country that demonstrate effective leadership, broad community impact and the ability to successfully leverage a certain percentage of matching local funds for developing local donor education programs.
- Explore developing national donor education “circuit riders” who provide on-going training and support to local and regional organizations and staff. These roving trainers can be sequenced in follow-up steps with those who have been participants in some of the Train-the-Trainer Donor Education programs as well as being “troubleshooters” and “strategists” to advise on challenges local and regional trainers may encounter in attempting to implement local programs.

### 3. Develop Knowledge Management and Tools

The donor education field is at an early stage of aggregating and disseminating knowledge from existing practices. For the most part, useful theoretical and practical knowledge to inform donor learning is not widely available in practical forms for small and medium size donor education organizations, nor is it easily accessible to individual donors.

- ✓ ▪ **Support the establishment of a web-based resource clearinghouse on donor education and engagement.** The Clearinghouse would serve both donors interested in locating donor learning and support services, and service the donor education field itself (see forthcoming DEI paper).
- ✓ ▪ **Develop and support donor education and core curriculum templates that can be adapted for local use, utilizing the most effective tools in the field** (perhaps something like “Donor Education in a Box”). Create a collaborative effort of donor education organizations that can help design and contribute to a common core curriculum, using new technologies that allow customization of off-the-shelf programs.
- **Utilize knowledge, tools and curriculum being developed on effective professional grantmaking.** Explore partnerships and knowledge exchange with existing efforts such as the Ford Foundation’s GrantCraft, initiatives by regional associations of grantmakers (in Northern California and Western Pennsylvania), and programs by the Center on Philanthropy at Indiana University, the Foundation Center (Practice Matters) Grand Valley State University, Grantmakers for Effective Organizations, and the Fetzer Institute that have or are developing curriculum materials for grantmaking professionals on effective philanthropy.
- Consider the development of an annual resource (The State of Donor Education) that compiles key articles, statistics, case studies and tools for donor education providers.
- Support the further development and quality of services that rate nonprofit organizations. Work to expand such services outside of large and well-known nonprofits. The newly created ratings services reinforce the economic divide in the nonprofit sector between large and well-established groups and small, grassroots organizations. Work with community foundations and alternative funds to ensure the inclusion of effective small and medium-sized nonprofits.
- Support the ability of organizations to collect and make accessible donor stories, which are often fundamental in inspiring and motivating giving. Several grantees of New Ventures for Philanthropy, numerous women’s funds, the Council of Foundations, More Than Money, and the National Center for Family Philanthropy are just a few of those organizations that have launched such story gathering and dissemination initiatives.
- Support research studies and impact evaluations of donor learning programs, by type of learning experiences.

## 4. Increase Public Awareness Through Marketing and Media

As discussed earlier in the report, a major Achilles heel of the donor education field is the poor state of marketing and media outreach by program providers. Stronger marketing would help the field reach the huge and largely untapped base of donors and potential donors who could benefit from guidance and support. Obviously, communicating effectively the value of donor education is vital to helping donor education organizations establish more sustainable fees for the programs and services they provide.

- ✓ ▪ **Develop and support an annual Giving Season strategy.** Unlike many other industries, philanthropy has a logical and compelling annual season for focused marketing, promotion and outreach. The Giving Season that extends through most of November and December is a vastly underutilized time for broadly capturing the public's imagination and mobilizing new forms of giving. A collaborative set of Giving Season strategies should be developed among a wide circle of philanthropy promotion and donor education leaders. An annual mass media, marketing and organizing blitz should be simultaneously implemented at a local, national and global level. Organized philanthropy should use the Giving Season as an opportune time to reach out and collaborate with the faith-based institutional world. The Giving Season strategy would also serve to drive people to the online donor education clearinghouse mentioned in the previous recommendation section.
- ✓ ▪ **Develop and support organizational collaborations, new marketing platforms and media initiatives that help to promote and jointly market donor education opportunities to the general public and within targeted markets (women, ethnic communities, etc.).** In this regard, the field should consider the community foundations model of developing joint marketing materials created by the Community Foundations National Marketing Action Team of the Council on Foundations. Use the Giving Season blitz to time efforts of promoting local, national and global donor education programs and services using such joint marketing materials.
- ✓ ▪ **Develop and support efforts that promote donor education outside of the institutional bounds of the existing philanthropic field.** This includes, for example, initiatives to reach out to existing community infrastructure such as faith-based institutions, schools at all levels, business associations, senior centers, libraries, and community centers.
- ✓ ▪ **Develop and support media productions that document the history, stories and impact of philanthropy.** To reach the broader public, it is important to better communicate the role that philanthropy plays in developing civil society in American life and around the world, and how individual donors can make a difference.

## 5. Explore Resource Development and Financing Strategies

Some debate whether and to what degree foundations should subsidize the direct costs of educating and engaging wealthy donors. High net worth individuals are plainly able to pay for their own services, either directly or through the wealth management companies and financial services firms that manage their assets. Of course, many still need to understand why spending time and money on their own learning is worthy. However, for the most part, foundation dollars should not be going to cover the retail end of supporting the growth of a small numbers of wealthy individual donors. Where such investments are made, resources should be shared widely within the donor education field (such as developing field-wide core curriculum program) to achieve economies of scale and broad impact.

- ✓ ▪ **Create dialogue and discussion on how to educate donors about the real costs and value of donor learning, and further explore industry standards or guidelines on pricing structures.**
- ✓ ▪ **Explore the development of regular dues or contributions by foundations into an industry pool for the philanthropic infrastructure, including philanthropy promotion and donor education.**
- Explore the development of designated funds at community foundations for philanthropy promotion and donor education.
- Invest in a communications strategy to help donor education organizations better communicate the importance of donor learning, involving a select number of influential “tipping point” donors who can address the benefit and value of undertaking and paying for such learning.

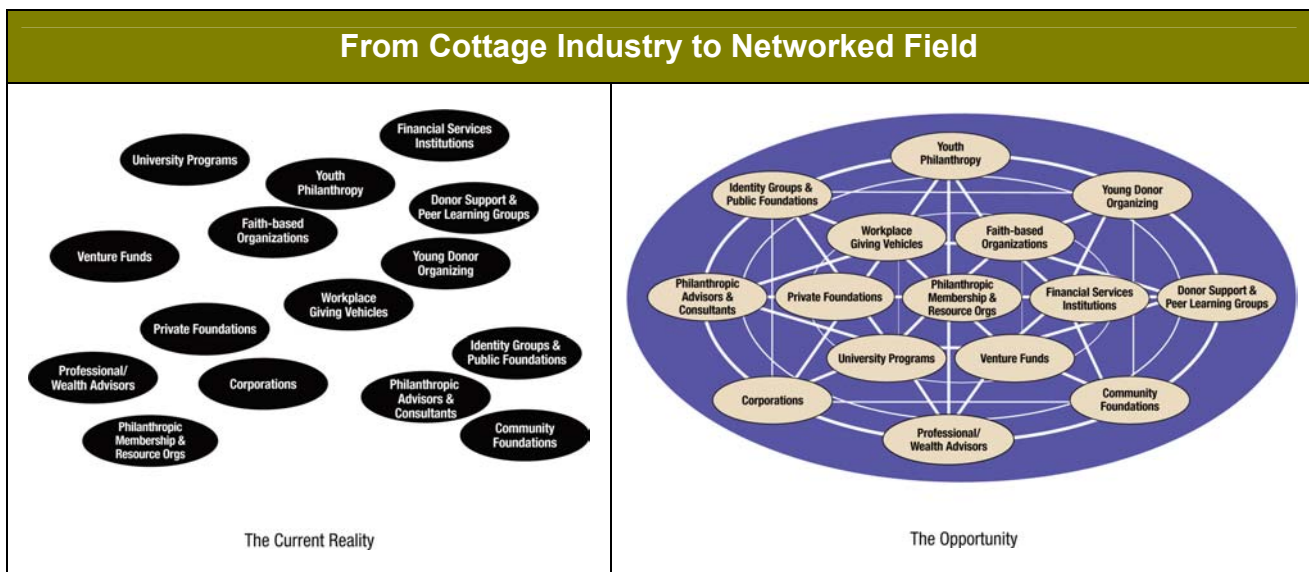
## 6. Explore and Promote Standards, Ethics and Accountability

- ✓ ▪ **Commission a select group of donor education leaders to draft field standards of ethics, accountability and effective practices for donor educators.** Draw upon the recent guidelines being developed by community foundations, as well as those developed for fundraising professionals.

## 7. Encourage Field-Building Leadership and Collaboration

Strengthening the donor education field requires intentional strategies to undertake and nurture field-building leadership and collaboration. For example, there was strong interest in taking further steps to continue the field building conversations initiated by New Visions PRD in California and at the National Gathering on Donor Education in New York (November 2002). These dialogues created a space for cross-fertilizing field thinking, envisioning and collective action.

- ✓ **Develop and support processes that build field knowledge, vision and leadership.** This includes global, national, regional and local convening and collaboration among organizations seeking to create linkages and more accessible donor services. Create and fund strategy groups to study and act upon each of the seven core field-building components. Charge these working groups to develop specific timelines for field-level action.
- ✓ **Create and support new job positions (field brokers) that essentially undertake the task of stitching together the patchwork of the donor education landscape into a more comprehensive and systematic field.** The work that needs to be undertaken includes convening, facilitation and bridge-building at local, regional, national and global levels. These positions should be developed outside of the current providers of donor education services to maintain as much neutrality as possible.
- Continue to support funding designed to create collaborative strategies and linkages between organizations, as featured in the New Ventures in Philanthropy grant cycles.



Source: New Visions PRD, © 2002-2003

## The Role of Foundations in the Field-Building Strategy

The financial services industry is committing considerable dollars these days to position itself as a resource for individuals and families seeking guidance and vehicles for their philanthropic giving. Likewise, the foundation world needs to more fully awaken to the coming wave of new philanthropy and strengthen the donor education field that seeks to guide its effectiveness and impact.

Unfortunately, only a relatively small number of foundations have recognized this opportunity. Fewer than 10 private foundations provide funding for donor education. It is time for a majority of the larger national foundations (especially the “Top 100” in assets) to **strategically see the promotion of philanthropy and the support of donor education as a basic task and responsibility of all organized philanthropy**. Community foundations also have a critical job to further position themselves as local philanthropy promotion centers for all levels and types of donors.

***Because foundation dollars are limited, their use should be targeted to the macro or field-building level that creates coherence, leadership and collaboration.*** Investments need to be made in existing infrastructure organizations as well as new initiatives to weave a coherent web from a fragmented and inchoate emerging field.

The foundation world has a particular financing niche to help finance the indirect costs of cultivating, informing and leveraging new philanthropy. That is, it is uniquely able to ***invest in the necessary infrastructure or “enabling environment” to cultivate, motivate, engage, and educate donors.*** Foundations should focus their underwriting of the field on the range of infrastructure investments that have been outlined here.

Foundations should also ***invest in efforts that target “strategic constituencies” for deeper donor education and engagement.*** This would include donors and would-be donors in ethnic communities, in rural areas, women, children and youth, and young donor leaders. It would also include donors of low and moderate income.

Finally, **what is the overall pay-off of leveraging more investments in the donor education field?**

- More resources in philanthropy as a whole.
- More strategic and effective philanthropy.
- More partners available for collaborative funding.
- More investment, engagement and leadership in communities.
- More diverse types of donors who bring new perspectives, creativity, leadership and ability to further open new doors.
- A wider social and cultural movement of giving.



## **VIII. Appendices**

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# Appendix A

## Survey Respondents

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*The following organizations participated in either the Summer 2002 National Survey on Donor Education and/or its February 2003 Supplemental Survey.*

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- |  |  |
|--|--|
| 1. Abbe & Associates: Philanthropy Solutions   | 51. Community Foundation of the Great River Bend         |
| 2. Adirondack Community Trust  | 52. Community Foundation of the Lowcountry               |
| 3. Alabama Funders Forum   | 53. Community Foundation of Western North Carolina       |
| 4. Amarillo Area Foundation  | 54. Community Foundation Serving Boulder County Colorado |
| 5. Angus Advisory Group LLC  | 55. Community Foundation Serving Richmond & Central VA   |
| 6. Arkansas Community Foundation, Inc.   | 56. Community Foundation Silicon Valley                  |
| 7. AssetStream Corp  | 57. Community Foundation, Inc.                           |
| 8. Associated Grant Makers   | 58. Community Solutions Fund                             |
| 9. Association of Baltimore Area Grantmakers   | 59. Conference Board                                     |
| 10. Association of Small Foundations   | 60. Connecticut Council for Philanthropy                 |
| 11. Atlanta Women's Foundation   | 61. Coshocton Foundation                                 |
| 12. Baldwin Family Office  | 62. Council of Michigan Foundations                      |
| 13. Barrington Area Community Foundation   | 63. Council on Foundations                               |
| 14. Barry Community Foundation   | 64. Craigslist Foundation                                |
| 15. BBB Wise Giving Alliance   | 65. Creative Financial Concepts, LLC                     |
| 16. Bedford Community Health Foundation  | 66. Dallas Women's Foundation                            |
| 17. Blueprint R+D  | 67. Delaware Valley Grantmakers                          |
| 18. Boston College   | 68. Denver Foundation                                    |
| 19. Boston Foundation  | 69. Donors Forum of South Florida                        |
| 20. Buhl & Associates  | 70. Donors Forum of Wisconsin                            |
| 21. Building Business Investment in Community  | 71. Eastern West Virginia Community Foundation           |
| 22. Business Enterprises for Sustainable Travel  | 72. El Dorado Community Foundation                       |
| 23. Business for Social Responsibility   | 73. El Paso Community Foundation                         |
| 24. Bussel Philanthropy Associates   | 74. Elkhart County Community Foundation                  |
| 25. Calhoun County Community Foundation  | 75. Emerging Practitioners in Philanthropy (EPIP)        |
| 26. California Community Foundation  | 76. Entertainment Industry Foundation                    |
| 27. Calvert Social Investment Foundation   | 77. Equity Foundation                                    |
| 28. Catalogue for Philanthropy   | 78. Fairfield County Community Foundation                |
| 29. Center for Effective Philanthropy  | 79. Financial Independence Group                         |
| 30. Center for the Study of Philanthropy, The Graduate Center, The City University of New York | 80. Findlay-Hancock County Community Foundation          |
| 31. Central Indiana Community Foundation   | 81. Foundations for Change                               |
| 32. Central New York Community Foundation, Inc.  | 82. Give2Asia/The Asia Foundation                        |
| 33. Changemakers   | 83. Giving Greater Chicago                               |
| 34. Clarence Foundation  | 84. Global Philanthropy Forum                            |
| 35. Class Action   | 85. Global Greengrants Fund                              |
| 36. Class Action   | 86. Grace-Concepts, LLC                                  |
| 37. Clay Community Schools   | 87. Grantmakers of Oregon and Southwest Washington       |
| 38. Cleveland Social Venture Partners  | 88. Grantmakers Without Borders                          |
| 39. Coalition for New Philanthropy   | 89. Grassroots International                             |
| 40. Community Foundation for Greater Atlanta   | 90. Greater Cincinnati Foundation                        |
| 41. Community Foundation for Monterey County   | 91. Greater Kansas City Community Foundation             |
| 42. Community Foundation for Southeastern Michigan   | 92. Greater New Orleans Foundation, The                  |
| 43. Community Foundation for the Capital Region, Inc., The                                     | 93. Gulf Coast Community Foundation                      |
| 44. Community Foundation of Greater Birmingham,  | 94. Hawaii Community Foundation                          |
| 45. Community Foundation of Greater Greensboro   | 95. Houston Social Venture Partners                      |
| 46. Community Foundation of Greater Greenville, Inc.   | 96. Indiana Grantmakers Alliance                         |
| 47. Community Foundation of Greater Memphis  | 97. Indiana University/Purdue University at Indianapolis |
| 48. Community Foundation of Herkimer and Oneida Counties                                       | 98. Institute for Regional Education/Fund for Change     |
| 49. Community Foundation of North Central Wisconsin  | 99. International Community Foundation                   |
| 50. Community Foundation of Sarasota County  | 100. International Development Exchange (IDEX)           |

## Appendix A: Survey Respondents

101. InvolveX
102. Jewish Funders Network
103. Johnson County Community Foundation
104. Kalamazoo Community Foundation
105. Leventhal/Kline Management Inc.
106. Los Angeles Urban Funders
107. Los Angeles Women's Foundation
108. Louisiana Association of Nonprofit Organizations
109. Loyola University Chicago
110. M & M Area Community Foundation
111. Maine Community Foundation
112. McKenzie River Gathering Foundation
113. Michigan McGehee Interfaith Loan Fund
114. Michigan Women's Foundation
115. More Than Money
116. Ms. Foundation for Women
117. National Alliance for Choice in Giving
118. National Center for Black Philanthropy
119. National Center for Family Philanthropy
120. Neighborhood Funders Group
121. Neighborhood Fundraising Network, Inc.
122. New Britain Foundation for Public Giving
123. New Hampshire Charitable Foundation
124. New York Regional Association of Grantmakers
125. NewTithing Group
126. North Valley Community Foundation
127. Northern California Grantmakers
128. Omaha Community Foundation
129. Orange County Community Foundation
130. Oregon Community Foundation
131. Outer Banks Community Foundation
132. Pasadena Foundation
133. Peninsula Community Foundation
134. Philadelphia Foundation
135. Philanthropy Northwest
136. Philanthropy Workshop West
137. Pittsburgh Foundation
138. Pride Foundation
139. Resource Generation
140. Rochester Area Community Foundation
141. Rochester Grantmakers Forum
142. Rockefeller Foundation
143. Rockefeller Philanthropy Advisors
144. Saginaw Community Foundation
145. San Diego Grantmakers
146. San Luis Obispo County Community Foundation
147. Santa Barbara Foundation
148. Sioux Falls Area Community Foundation
149. Social Venture Partners Arizona
150. Social Venture Partners Bay Area
151. Social Venture Partners Boston
152. Social Venture Partners Calgary
153. Social Venture Partners Dallas
154. Social Venture Partners Delaware, Inc.
155. Social Venture Partners International
156. Social Venture Partners San Diego
157. Social Venture Partners Seattle
158. Social Venture Partners St. Louis
159. Southern California Association for Philanthropy
160. Southern Illinois Community Foundation
161. Southern Philanthropy Consortium
162. Stark Community Foundation
163. Strategic Philanthropy, Ltd.
164. Synergos Institute
165. Terra Firma Consulting
166. The Foundation Incubator (TFI)
167. The Giving Back Fund
168. The Giving Institute/Community Consulting
169. The Global Fund for Women
170. The Hartford Foundation for Public Giving
171. The Minneapolis Foundation
172. The Philanthropic Initiative
173. The Troy Foundation
174. The Twenty-First Century Foundation
175. Third Wave Foundation
176. Threshold Foundation
177. Tides Foundation
178. Tipton County Foundation, Inc.
179. Topeka Community Foundation
180. Upper Peninsula Community Foundation Alliance
181. Wabash Valley Community Foundation, Inc.
182. Walker Area Community Foundation
183. Washington County Community Foundation
184. Washington Grantmakers
185. Washington Women's Foundation
186. Waterbury Foundation
187. Watertown Community Foundation
188. West Central Initiative
189. Women's Fund of the Greater Milwaukee Foundation
190. Women's Funding Alliance
191. World Affairs Council of Northern California
192. Youth Philanthropy Worldwide

## Appendix B

### Convening Attendees

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*Following is a list of participants at three dialogues on Donor Education organized by New Visions PRD. The California Convenings were day-long conversations about the state of donor education programs and services in California, held in September and October 2002. The National Dialogue on Donor Education was a two-day conference held in New York in November 2002, with the goal of broadly assessing the range and types of educational programming being offered to cultivate and engage donors and to envision how the philanthropic infrastructure in the United States could develop over the next 10-20 years to meet the learning needs of donors.*

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#### CA Convening I

September 13, 2002  
San Francisco, CA

1. **Amy Fackelmann**, *Donor Services Officer*, California Community Foundation
2. **Anne McCarten-Gibbs**, *Executive Director*, Youth Philanthropy Worldwide
3. **Aviva Boedecker**, *Director of Gift Planning*, Marin Community Foundation
4. **Barbara Larson**, *Director of Development & SV2*, Community Foundation Silicon Valley
5. **Carol Welsh Gray**, *Executive Director*, Peninsula Community Foundation
6. **Christine Grumm**, *Executive Director*, Women's Funding Network
7. **Cynthia Carey-Grant**, *Executive Director*, Changemakers
8. **Donna Bransford**, *Director of Outreach*, Tides Foundation
9. **Elizabeth Bremner**, *Executive Director*, The Foundation Incubator (TFI)
10. **Ifeoma Aduba**, *Development Officer*, Liberty Hill Foundation
11. **Joan Cospers**, *Senior Donor Services Officer*, East Bay Community Foundation
12. **Julie Holdaway**, *Director*, San Diego Grantmakers
13. **Juliette Gimon**, *Director of Outreach*, Global Philanthropy Forum
14. **Lynn Luckow**, *President & CEO*, Northern California Grantmakers
15. **Marc Ross Manashil**, *Executive Director*, Clarence Foundation
16. **Miyoko Oshima**, *President*, Southern California Association for Philanthropy
17. **Nicky McIntyre**, *Vice President, Development & Communication*, Global Fund for Women
18. **Vincent Robinson**, *Executive Director*, Social Venture Partners Bay Area

#### CA Convening II

October 17, 2002  
Burbank, CA

1. **Alan Pardini**, *Senior Advisor*, League of California Community Foundations
2. **Charles Slosser**, *Executive Director*, Santa Barbara Foundation
3. **Christina Sutherland**, *COO & Vice President of Programs*, East Bay Community Foundation
4. **Harriet Glickman**, *Consultant*
5. **James M. Ferris, Ph.D.**, *Director*, Center on Philanthropy and Public Policy, University of Southern California
6. **Jan McElwee**, *Principal*, The McElwee Group
7. **Joe Lumarda**, *Executive Vice President*, California Community Foundation
8. **Kate McLean**, *President*, Ventura County Community Foundation
9. **Laura Borsechnik**, *Volunteer Grant Director*, Step Up Women's Network
10. **Michael Balaoing**, *Vice President, Programs*, Entertainment Industry Foundation
11. **Miyoko Oshima**, *President*, Southern California Association for Philanthropy
12. **Patricia L. Murar**, *President*, Los Angeles Women's Foundation
13. **Shirley Fredricks**, *Vice President and Trustee*, The Lawrence Welk Foundation
14. **Sophonya Simpson**, *Consultant to the California Endowment*
15. **Todd M. Hanson**, *Vice President, Donor Relations and Community Partnerships*, Orange County Community Foundation

## Appendix B: Convening Attendees

### National Dialogue on Donor Education

November 11-12, 2002

Pocantico Conference Center of the Rockefeller Brothers Fund

Tarrytown, NY

1. **Doug Bauer**, *VP and Philanthropy Advisor*, Rockefeller Philanthropy Advisors
2. **Lucy Bernholz, Ph.D.**, *Founder and President*, Blueprint R+D
3. **Jessica Chao**, *Project Consultant*, New York Regional Association of Grantmakers
4. **Beth Cohen**, *GPC Associate Director for Programs*, Synergos Institute
5. **Virginia M. Esposito**, *President*, National Center for Family Philanthropy
6. **Tracy Gary**, *Co-Founder*, Changemakers
7. **Alison Goldberg**, *Donor Education Coordinator*, Resource Generation
8. **Karen Green**, *Managing Director*, Family Foundation Services, Council on Foundations
9. **Chuck Holland**, *Executive Director*, SVP BOSTON
10. **Erica Hunt**, *Executive Director*, The Twenty-First Century Foundation
11. **H. Peter Karoff**, *Founder and Chairman*, The Philanthropic Initiative
12. **Gabriel Kasper**, *Program Officer*, The David and Lucile Packard Foundation
13. **Dr. Salvatore LaSpada**, *Manager*, The Philanthropy Workshop/Rockefeller Foundation
14. **Ted Lord**, *Former Director of Philanthropy Promotion*, Philanthropy Northwest
15. **George McCully**, *Coordinator*, The Catalogue for Philanthropy
16. **Alan McGregor**, *Project Coordinator*, Southern Rural Development Initiative
17. **Mary A. O'Herlihy**, *Director of Publications*, Social Welfare Research Institute
18. **Siobhan O'Riordan**, *Director*, Giving New England, Associated Grant Makers
19. **Ellen Remmer**, *Director of Family Philanthropy Practice*, The Philanthropic Initiative
20. **Charles Scott**, *Executive Director*, Association of Small Foundations
21. **Michael Seltzer**, *Director*, Business Enterprises for Sustainable Travel (BEST)
22. **Christine Sherry**, *Director*, The Philanthropy Workshop-West, The William & Flora Hewlett Foundation
23. **Benjamin R. Shute, Jr.**, *Secretary & Program Officer*, Rockefeller Brothers Fund
24. **Anne Slepian**, *Founder*, More Than Money
25. **Dianna Smiley**, *Director of Charitable Gift Planning*, NW Oregon, Oregon Community Foundation
26. **Shannon St. John**, *President*, Triangle Community Foundation

## Appendix C

### Acknowledgements

The Donor Education Initiative has truly been a collaborative BHAG (big hairy audacious goal) which has required the leadership, thinking and support of a wide circle of people who make up the ecology of the emerging donor education field.

We want to first thank our funding partners in the foundations that invested their time, thinking and resources to make the Donor Education Initiative possible. This includes the leadership of Christopher Harris of the Ford Foundation; Susan Bell and Marnie Sigler of the William and Flora Hewlett Foundation; Tom Reis of the W.K. Kellogg Foundation; and Eleanor Clement Glass and Gabriel Kasper of the David and Lucile Packard Foundation. Thanks to Susan Berresford and Paul Brest for lending your thoughts and support to this initiative. Thanks to Jim Canales of the James Irvine Foundation for a catalytic conversation. Thanks to Ruth Ann Harnisch for critical start-up funding.

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And finally to our children Weezie and Satchel, who teach us daily about the gifts of giving. This effort is dedicated to them and to the giving spirit and legacy of Osceola McCarty, a true titan of caring in the age of affluence.

## Appendix D

### About the Co-Authors and New Visions PRD

New Visions PRD is an international consulting, research and development organization focused on promoting effective philanthropy and innovation in the nonprofit sector.

New Visions PRD is co-directed by Jenny Yancey and Dan Siegel, who have worked as consultants, trainers, advisors, writers and speakers on philanthropic and nonprofit development issues in the United States, Asia, Latin America, and Eastern Europe. They have conducted numerous feasibility studies, field scans, project evaluations and innovative organizational start-ups and sustainability designs in the United States and internationally for foundations, donors and nonprofit organizations.

Their clients and sponsors have included the Annie E. Casey Foundation, the Ford Foundation, the William and Flora Hewlett Foundation, IBM, the Indiana University Center on Philanthropy, the International Youth Foundation, the W.K. Kellogg Foundation, the John D. and Catherine T. MacArthur Foundation, the Charles Stewart Mott Foundation, the Open Society Institute, Rockefeller Brothers Fund, and World Learning, as well as individual donors and family foundations. Siegel and Yancey have also worked with a network of financial advisors on how to best promote philanthropic giving as an option with clients of wealth.

For eight years, Yancey and Siegel worked in Eastern Europe, focused on the development of the emerging non-governmental sectors. They were commissioned by the Rockefeller Brothers Fund to research and write *The Rebirth of Civil Society: The Development of the Nonprofit Sector in East Central Europe and the Role of Western Assistance* (1992), which was translated into four languages and distributed worldwide. They were founding Co-Directors of the Civil Society Development Program based in Hungary and Poland from 1993-96, which served to create indigenous, national nonprofit resource and training centers in each country.

Their work internationally and in the United States has made them widely experienced in developing new and entrepreneurial approaches and mechanisms to promote philanthropy and increase public and media understanding of the role and impact of the philanthropic world. Their articles have appeared in the *Los Angeles Times*, the *Boston Globe*, *Newsday*, the *Des Moines Register*, the *San Jose Mercury News*, and the *Oakland Tribune*, among others. They are both former Associate Fellows at the World Policy Institute of the New School for Social Research in New York.

Siegel and Yancey live in Mill Valley, CA where they also manage to find time to enjoy life with their daughter Weezie, son Satchel, two cats and a dog.